



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

PHONE: (907) 262-4441 • **FAX:** (907) 262-1892

www.borough.kenai.ak.us

DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Pete Sprague, Assembly President
Members, Kenai Peninsula Borough Assembly

THROUGH: David R. Carey, Borough Mayor *DR Carey*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: January 7, 2010

SUBJECT: Ordinance 2009-19- 27, appropriating cruise ship passenger tax proceeds to the cities of Seward and Homer

Cruise ship passenger tax proceeds are distributed by the state pursuant to the voters' approval of an initiative imposing this tax on travel aboard cruise ships. Senate Bill 256 and House Bill 310 authorized sharing calendar year 2007 and 2008 Commercial passenger Vessel excise tax collections with the first five ports of call in the state of Alaska for each vessel. AS 43.52.230 requires that these proceeds be used to improve port and harbor facilities, to provide services for vessel or watercraft visits, and to enhance the safety and efficiency of interstate and foreign commerce.

The Kenai Peninsula Borough Assembly appropriated the funds it received from the state for this tax in 2007 to the City of Seward for improvements to the city's port security. Since then, a cruise ship has added the City of Homer to its route, entitling Homer to receive cruise ship passenger tax proceeds. Accordingly, this ordinance includes funds for both Seward and Homer, divided according to the ratio of cruise ship passengers at each port.

Your support of this ordinance would be appreciated.