



Sponsored by: Mayor Gabriel and City Council Members
Suggested by: Council Member Peterkin and Mayor Gabriel

CITY OF KENAI

RESOLUTION NO. 2019 - 18

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, OPPOSING SB 63 AND HB 65 REPEALING FISHERIES BUSINESS TAX REFUNDS TO MUNICIPALITIES AND REVENUE SHARING FOR FISHERY RESOURCE LANDING TAXES.

WHEREAS, Governor Michael Dunleavy has transmitted SB 63 and HB 65 to the legislature which would remove local municipalities' ability to receive local fisheries business taxes and fishery resource landing taxes; and,

WHEREAS, these bills shifts local tax authority and revenue from the City of Kenai to the state; and,

WHEREAS, the taxes are based on fish landed or processed within the municipal jurisdictions; and,

WHEREAS, Article X, Section 1, of the Alaska Constitution provides for maximum local self-government and a liberal construction applied to the powers of local government; and,

WHEREAS, removing revenue sources from municipalities and forcing them to increase the burden on residents to provide similar service does not equate to cutting the State budget and is inconsistent with Article X Section 1 of the Alaska Constitution; and,

WHEREAS, the State of Alaska Department of Commerce, Community and Economic Development Division of Community and Regional Affairs webpage provides, that the Department's Shared Fishery Business tax Program was created to help municipalities impacted by the effects of the rapidly expanding offshore fish processing industry; and,

WHEREAS, the City provides numerous resources to the commercial fishing industry including a dock, police, fire, emergency medical, planning, senior housing and care, water, sewer, library and road services; and,

WHEREAS, in fiscal year 2019 the City received approximately \$128,000 from the fishery business tax and fishery resource landing tax; and,

WHEREAS, this reduction in revenue would burden the City's ability to fund services to this industry and/ or force the City to seek other revenue services potentially further burdening the industry.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

Section 1. That Governor Dunleavy and the state legislature are strongly encouraged to rescind or not support SB 63 and HB 65 and continue to allow local municipalities to receive raw

fish taxes and fisheries business taxes and provide services to the commercial fishing industry without additional burden.

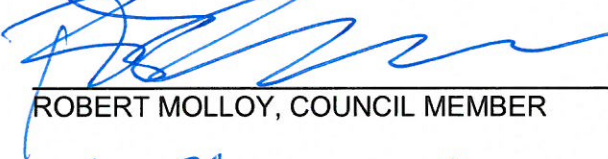
Section 2. That a copy of this resolution shall be sent to Governor Dunleavy, all members of the Alaska House of Representatives and all members of the Alaska State Senate.

Section 3. That this resolution takes effect immediately upon adoption.

ADOPTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 20th day of March, 2019.



BRIAN GABRIEL SR., MAYOR

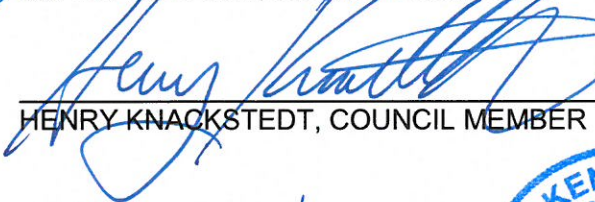

TIM NAVARRE, VICE MAYOR

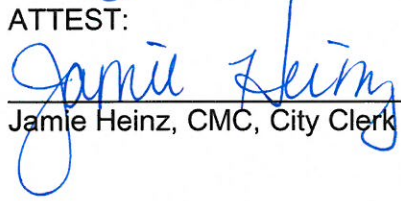

ROBERT MOLLOY, COUNCIL MEMBER


GLENEISE PETTEY, COUNCIL MEMBER


JIM GLENDENING, COUNCIL MEMBER


ROBERT PETERKIN II, COUNCIL MEMBER


HENRY KNACKSTEDT, COUNCIL MEMBER

ATTEST:

Jamie Heinz, CMC, City Clerk





"Village with a Past, City with a Future"

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MEMORANDUM

TO: Members, Kenai City Council
FROM: Mayor Brian Gabriel and Council Member Robert Peterkin
DATE: March 14, 2019
SUBJECT: **Resolution No. 2019 – 18 Opposing SB 63 and HB 65**

Governor Michael Dunleavy has transmitted Senate Bill 63 and House Bill 65 to the legislature which would remove local municipalities' ability to receive local fisheries business taxes and fishery resource landing taxes. These two taxes are collected by the State and shared with municipalities in order for those local governments to provide services, strengthen infrastructure and build capacity for the industry to operate effectively in these communities.

These revenues are an important component of the City of Kenai's annual budget, equating to \$128,000 in fiscal year 2019. Other years, this revenue is more significant. For example, in fiscal year 2016 revenues for fisheries business taxes and fishery resource landing taxes exceeded \$198,000.

Because the impacts associated with these fisheries is most significant where the landings occur, it is fair and reasonable that the revenue generated from these taxes goes to those communities. Maintaining the current methods of sharing these revenues is important to the City of Kenai and to many other communities across the State.

This Resolution strongly encourages Governor Dunleavy and the state legislature to rescind or not support Senate Bill 63 and House Bill 65.

Your support is appreciated.

