



CHUGACH STATE PARK CITIZEN ADVISORY BOARD

18620 Seward Hwy, Anchorage, AK 99516 Phone: 907-345-5014 Fax: 907-345-6982

December 26th, 2023

To: Honorable Members of the Alaska State Senate and House of Representatives:

The Chugach State Park Citizen Advisory Board requests your support of Senate Bill 127, which would require vehicle rental platforms, such as Turo, to collect and pay vehicle rental taxes on behalf of their vehicle owners, similar to AO No. 2020-55 as adopted by the Municipality of Anchorage in July 2020. There are currently two fund sources for the Division of Parks and Outdoor Recreation's operating budget: receipts from park fees and receipts from the state's vehicle rental tax. Our intent in supporting this proposed legislation is to increase the state's vehicle rental tax receipts and increase available funding for maintenance and operations of Alaska's state park system.

Every year since FY 2020, the legislature has appropriated money from the vehicle rental tax fund exclusively to the Department of Transportation and the Division of Parks and Outdoor Recreation. This year, the Division of Parks and Outdoor Recreation received \$5,719.5 million from the vehicle rental tax fund, which represents 47% of the total appropriation. By increasing the tax dollars in the vehicle rental tax fund, a larger pool will be available to appropriate to the Division of Parks and Recreation.

Public use of state parks, including by independent tourists, has grown significantly without a commensurate increase in operating budgets. Chugach State Park, for instance, experienced a 47% increase in use between 2019 and 2021 and is Alaska's most visited public recreation destination. SB 127 would make sure the state collects all of these tourism tax dollars to help maintain and operate Alaska's state park system without the need for increased UGF. Alaskans love outdoor recreation and many recreate in the state park system, which is more accessible to most Alaskans than our national parks and refuges. Alaska's state parks are a significant draw for independent tourists and tourism is the 2nd largest employer in our state. We believe that adequately staffing our state parks and providing funding for basic needs, such as sanitation, is necessary for Alaskans' continued enjoyment of our state parks as well as to preserve and grow the state's tourism and outdoor recreation economies.

Please support Senate Bill 127 and help ensure that funding for our state park system keeps pace with the continued increases in public use.

Thank You,

Trond Jensen

Chair, Chugach State Park Citizen Advisory Board

Seward State Parks Citizen Advisory Board

The Division of Parks and Outdoor Recreation provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historic resources for the use, enjoyment, and welfare of the people.



January 5, 2024

Senate Finance Committee Senate.Finance.Committee@akleg.gov
cc: Senator Matt Claman Senator.Matt.Claman@akleg.gov
cc: Senator Gary Stevens Senator.Gary.Stevens@akleg.gov
cc: Representative Louise Stutes Representative.Louise.Stutes@akleg.gov
cc: DPOR Director Ricky Gease, ricky.gease@alaska.gov
cc: Superintendent Hans Rinke, hans.rinke@alaska.gov

Dear Senate Finance Committee:

The Seward State Park Citizen Advisory Board requests your support of Senate Bill 127. This proposed legislation would move the responsibility for collecting and remitting the required vehicle lease and rental excise tax from the individual to the vehicle rental platform company. SB 127 would streamline collection of the required Vehicle Rental Tax (VRT) from peer-to-peer car sharing platforms such as Turo, and capture unreported vehicle rentals. It is not a new tax.

Alaska State Parks are a vital component of Seward's and our state's economic engines. The recent designation of the Fort McGilvray Historic District in Caines Head State Recreation Area to the National Register of Historic Places will attract even more visitors to our already popular Seward area state parks.

The Vehicle Rental Tax allocation provides a stable, sustainable funding platform for much-needed state park field operations. Visitors expect our state parks, especially those that are road-accessible like the Seward area state parks, to provide parking lots, restrooms, public use cabins, and trails. Maintenance, improvements, and timely investments in capital projects for outdoor recreation infrastructure on a shoestring budget with barebones staffing and funding is challenging. Underfunding jeopardizes the mission of Alaska State Parks.

Ensuring that all the required VRT is collected will in turn, help our state parks provide the expected visitor experiences.

We appreciate your consideration and support of Senate Bill 127. We fully support it.

Sincerely,
Carol Griswold
Chair



Kachemak Bay State Parks Citizen' Advisory Board
95 Sterling Hwy, Suite 2
Homer, Alaska 99603

To

Date 01-15-2024

Honorable Members of the Senate Finance Committee

Subject,

Letter of support for Senate Bill 127.

The Kachemak Bay State Parks & Kachemak Bay State Wilderness Park Citizens' Advisory Board, (KBSP & KBSWP CAB) was formed in September 1997. Our purpose is to provide a forum for the collection and expression of opinions and recommendation on matters relating to State Park units within the Kachemak Bay Watershed and Wilderness Park.

The State of Alaska Department of Parks and Outdoor Recreation, (DPOR) receive funding from the collection of excise tax on vehicles rented through car rental agencies and certain car rental platforms, which pay this tax in the State of Alaska. There are other rental platforms that provide a communication method for person-to-person rentals in Alaska avoiding the reporting of a rental transaction leaving the responsibility to the renter of the vehicle. There is a gap in this system and The Department of Revenue currently does not have enough data on person-to-person rental information in Alaska to provide for an estimative revenue impact. Please close this gap and pass this legislation for the following reasons:

- The tax burden already exists – AS 43.52.010
- This Bill does not institute a new tax
- The legislation provides for a streamlined process for the Department of Revenue in collecting the person-to-person rental tax.

Alaska DPOR received approximately 31.4% of annual funding in 2023 from the Alaska Vehicle Rental Excise Tax. Any increase in total disbursed funds by insuring the Department of Revenue receives due funding from all car rental businesses under AS 43.52.010 will benefit all Alaska State Parks,

The public use of Alaska State Parks by local residents and tourist has increased significantly which has put stress on DPOR personnel and parks. Deferred maintenance is a growing problem. The need for additional funding for one of Alaska's greatest asset has never been more important.

The Kachemak Bay State Parks and Kachemak Bay State Wilderness Park Citizens' Advisory Board voted their unanimous support of Senate Bill 127 on January 10, 2024.

Respectfully Submitted

Robert Archibald

Board Chair, KBSP & KBSWP CAB