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Bullock
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CS FOR HOUSE BILL NO. 422()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the excise tax on passengers traveling on commercial passenger
2 vessels providing overnight accommodations in the state's marine waters; and providing
3 for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 43.52.200 is amended to read:

6 **Sec. 43.52.200. Levy of excise tax on overnight accommodations on**
7 **commercial passenger vessels.** There is imposed an excise tax on passengers
8 traveling [TRAVEL] on commercial passenger vessels providing overnight
9 accommodations that anchor or moor in the state's marine water with the intent to
10 allow passengers to embark or disembark.

11 * **Sec. 2.** AS 43.52.210 is amended to read:

12 **Sec. 43.52.210. Rate of tax.** The tax imposed by AS 43.52.200 - 43.52.295 is
13 levied at a rate of \$34.50 [\$46] a passenger per voyage.

14 * **Sec. 3.** AS 43.52.230(a) is amended to read:

(a) The proceeds from the tax imposed under AS 43.52.200 - 43.52.295 [ON TRAVEL ON COMMERCIAL PASSENGER VESSELS PROVIDING OVERNIGHT ACCOMMODATIONS IN THE STATE'S MARINE WATER] shall be deposited in a special "commercial vessel passenger tax account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) [AND (c)] of this section, for state-owned port and harbor facilities, other services, and infrastructure to properly provide for commercial passenger vessel or passenger [WATERCRAFT] visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.

* **Sec. 4.** AS 43.52.230(b) is amended to read:

(b) For each voyage of a commercial passenger vessel providing overnight accommodations, the commissioner shall identify the first five ports of call in the state and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner shall distribute to each port of call \$5 per passenger of the tax revenue collected from the tax imposed [LEVIED] under AS 43.52.200 - 43.52.295. If the port of call is a city located within a borough not otherwise unified with the borough, the commissioner shall, subject to appropriation by the legislature, distribute \$2.50 per passenger to the city and \$2.50 to the borough. Each port of call receiving funds under this section shall use the funds in a manner calculated to improve port and harbor facilities and other services and infrastructure to properly provide for commercial passenger vessel or passenger [WATERCRAFT] visits and to enhance the safety and efficiency of interstate and foreign commerce.

* **Sec. 5.** AS 43.52.250 is amended by adding new subsections to read:

(b) The tax imposed by AS 43.52.200 - 43.52.295 shall be reduced by the total amount of a tax on a passenger traveling on commercial passenger vessels imposed on the passenger by a municipality.

(c) The tax reduction under (b) of this subsection applies only to taxes imposed by a municipality that did not elect to receive funds under AS 43.52.200 - 43.52.295 by December 17, 2007.

(d) The tax reduction under (b) of this section may not exceed 50 percent of

1 the tax rate levied under AS 43.52.210.

2 * **Sec. 6.** AS 43.52 is amended to add a new section to read:

3 **Sec. 43.52.260. Periodic report.** The Department of Commerce, Community,
4 and Economic Development shall prepare and submit to the governor, the legislature,
5 and the public a report every three years that

6 (1) addresses the projected needs of communities to safely and
7 efficiently host passengers that pay taxes under AS 43.52.200 - 43.52.295; and

8 (2) summarizes the extent to which appropriations of the proceeds of
9 the tax have been used to defray the needs described in (1) of this subsection.

10 * **Sec. 7.** AS 43.52.295(4) is amended to read:

11 (4) "voyage" means any trip or itinerary lasting more than 72 hours **in**
12 **the state's marine waters.**

13 * **Sec. 8.** AS 43.52.230(c) is repealed.

14 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).