April 1, 2010
Regular Council Meeting

Resolution No. 10-2324 – Requesting the Legislature Amend the Fisheries Business Tax (Raw Fish Tax) Law to Share More Than the Current 50% of the Tax Revenue with Qualified Municipalities – Mayor Williams

Recommended Motion:

I move that the City Council approve Resolution No. 10-2324 requesting the Legislature amend the fisheries business tax law to share more than the current 50% of the tax revenue with qualified municipalities; and establishing an effective date.

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 10-2324

A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA REQUESTING THE LEGISLATURE AMEND THE FISHERIES BUSINESS TAX (RAW FISH TAX) LAW TO SHARE MORE THAN THE CURRENT 50% OF THE TAX REVENUE WITH QUALIFIED MUNICIPALITIES; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, shared fisheries tax became law in 1962, at which time the amount of sharing with qualified municipalities was ten percent (10%); and

WHEREAS, the shared fisheries tax law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts (and later other fisheries), for the purpose of funding fisheries-related activities in pre-territorial Alaska; and

WHEREAS, since becoming law, the amount of fisheries business tax shared with qualified municipalities has increased only twice: once in 1979 to 20% and again in 1981 to the present day fifty percent (50%) share; and

WHEREAS, the fisheries business tax revenue retained by the State, after being reduced for various credits, is now placed in the State's General Fund and is not designated for any specific purpose; and

WHEREAS, from inception of the fisheries tax to the mid-2000s, the vast majority of public harbor facilities throughout the State were owned by the State of Alaska Department of Transportation and operated by the individual municipalities; and

WHEREAS, from the mid-1990s to mid-2000s the State began to transfer ownership of these public harbors (many which were aging and in need of extensive maintenance and/or replacement) to the municipalities on an "as is, with all faults" basis, conveying to each municipality a Bill of Sale for the personal property along with a designated Legislative appropriation of a sum of money to perform necessary repairs and upgrades (deferred maintenance); and

WHEREAS, the Bills of Sale for these harbor facilities came with a covenant that the municipalities shall operate and maintain the harbor facilities for the use and benefit of the public and in the event the municipality fails or ceases to administer, maintain and operate the harbor facilities as public facilities, title to the facilities shall revert to the State of Alaska; and

WHEREAS, in many instances, the initial appropriations for "necessary repairs and upgrades" have not been sufficient to address the numerous deferred maintenance items conveyed from the State to the municipalities, requiring the municipalities to place burdens on their local treasuries; and

WHEREAS, the large majority of the communities who accepted the harbors from the State are communities that derive their main economic base from various fisheries businesses and their harbor facilities are the lifeblood of the community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1:   The Council of the City of Ketchikan, Alaska requests the Legislature amend the Fisheries Business Tax (raw fish tax) law and share more than the current 50% of the tax revenue with the qualified municipalities. Increased share of the tax would encourage municipalities to continue to maintain, upgrade and operate the State transferred facilities to the greatest degree possible and would assist the municipalities to retain successful, working harbors.

Section 2:   This resolution shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Ketchikan on this 1st day of April, 2010.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter, City Clerk