

HOUSE BILL NO. 122

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES MOSES, Grussendorf, Mackie

Introduced: 1/25/95

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing payment of a portion of the motor fuel tax on boats and
2 watercraft as refunds to municipalities; and providing for an effective date."

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

4 * **Section 1.** AS 43.40.010(f) is amended to read:

5 (f) The proceeds from the revenue from the tax on motor fuel used in boats
6 and watercraft of all descriptions shall be deposited in a special watercraft fuel tax
7 account in the general fund. The legislature may appropriate from this account **for the**
8 **purposes of paying refunds to municipalities under AS 43.40.150 and** for water and
9 harbor facilities.

10 * **Sec. 2.** AS 43.40 is amended by adding a new section to read:

11 **ARTICLE 2. WATERCRAFT FUEL TAX REFUNDS TO MUNICIPALITIES.**

12 **Sec. 43.40.150. REFUNDS TO MUNICIPALITIES.** (a) Except as provided
13 in (b) of this section, the commissioner shall pay

14 (1) to each unified municipality and to each city located in the

1 unorganized borough 50 percent of the amount of tax revenue collected in the
2 municipality from taxes levied on boats and watercraft under this chapter and deposited
3 in the special watercraft fuel tax account under AS 43.40.010(f);

4 (2) to each city located within a borough 25 percent of the amount of
5 tax revenue collected in the city from taxes levied on boats and watercraft under this
6 chapter and deposited in the special watercraft fuel tax account under AS 43.40.010(f);
7 and

8 (3) to each borough

9 (A) 50 percent of the amount of tax revenue collected in the
10 area of the borough outside cities from taxes levied on boats and watercraft
11 under this chapter and deposited in the special watercraft fuel tax account under
12 AS 43.40.010(f); and

13 (B) 25 percent of the amount of tax revenue collected in cities
14 located within the borough from taxes levied on boats and watercraft under this
15 chapter and deposited in the special watercraft fuel tax account under
16 AS 43.40.010(f).

17 (b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the
18 commissioner shall pay

19 (1) to each city that is located in a borough incorporated after the
20 effective date of this Act the following percentages of the tax revenue collected in the
21 city from taxes levied on boats and watercraft under this chapter and deposited in the
22 special watercraft fuel tax account under AS 43.40.010(f):

23 (A) 45 percent of the taxes collected during the calendar year
24 in which the borough is incorporated;

25 (B) 40 percent of the taxes collected during the first calendar
26 year after the calendar year in which the borough is incorporated;

27 (C) 35 percent of the taxes collected during the second calendar
28 year after the calendar year in which the borough is incorporated; and

29 (D) 30 percent of the taxes collected during the third calendar
30 year after the calendar year in which the borough is incorporated; and

31 (2) to each borough that is incorporated after the effective date of this

1 Act the following percentages of the tax revenue collected in the cities located within
2 the borough from taxes levied on boats and watercraft under this chapter and deposited
3 in the special watercraft fuel tax account under AS 43.40.010(f):

4 (A) 5 percent of the taxes collected during the calendar year in
5 which the borough is incorporated;

6 (B) 10 percent of the taxes collected during the first calendar
7 year after the calendar year in which the borough is incorporated;

8 (C) 15 percent of the taxes collected during the second calendar
9 year after the calendar year in which the borough is incorporated; and

10 (D) 20 percent of the taxes collected during the third calendar
11 year after the calendar year in which the borough is incorporated.

12 (c) Notwithstanding the provisions of (b) of this section, a city may adopt an
13 ordinance to transfer a portion of the funds received under (b)(1) of this section to the
14 borough in which the city is located.

15 * **Sec. 3.** This Act takes effect July 1, 1995.