

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE GATTO

TO: HCS CSSB 194(L&C)

1 Page 1, line 1, following "Act":

2 Insert "**relating to cruise ships and**"

3  
4 Page 1, line 2, following "guest":

5 Insert "; **and providing for an effective date**"

6  
7 Page 2, following line 8:

8 Insert new bill sections to read:

9 **"\* Sec. 2.** AS 29.10.200 is amended by adding new paragraphs to read:

10 (64) AS 29.35.110(c) (use of borough revenue from commercial  
11 passenger vessel excise tax);

12 (65) AS 29.35.270 (use of city revenue from commercial passenger  
13 vessel excise tax).

14 **\* Sec. 3.** AS 29.35.110 is amended by adding a new subsection to read:

15 (c) Use of borough revenue from the tax levied under AS 43.52.100 -  
16 43.52.199 and distributed under AS 43.52.130(b) is limited to meeting costs  
17 attributable to the commercial passenger vessel industry in the borough and is not  
18 subject to (a) of this section. This subsection applies to home rule and general law  
19 boroughs.

20 **\* Sec. 4.** AS 29.35 is amended by adding a new section to article 4 to read:

21 **Sec. 29.35.270. Use of city revenue derived from commercial passenger**  
22 **vessel excise tax.** Use of city revenue from the tax levied under AS 43.52.100 -  
23 43.52.199 and distributed under AS 43.52.130(b) is limited to meeting costs

1           attributable to the commercial passenger vessel industry in the city. This subsection  
2           applies to home rule and general law cities.

3       \* **Sec. 5.** AS 43.52 is amended by adding new sections to read:

4                       **Article 2. Excise Tax on Commercial Passenger Vessels.**

5           **Sec. 43.52.100. Levy of excise tax on commercial passenger vessels.** There  
6           is imposed an excise tax on commercial passenger vessels providing overnight  
7           accommodations and traveling in the marine waters of the state.

8           **Sec. 43.52.110. Rate of tax.** The tax imposed by AS 43.52.100 - 43.52.199 is  
9           levied at a rate to be set by the commissioner based on costs to state and local  
10          government attributable to the commercial passenger vessel industry, not to exceed  
11          \$50 a passenger a voyage.

12          **Sec. 43.52.120. Liability for payment of tax.** The owner or operator of a  
13          commercial passenger vessel providing overnight accommodations and traveling in  
14          the marine waters of the state is liable for a proportionate share of costs attributable to  
15          the commercial passenger vessel industry listed in AS 43.50.130(c), not to exceed \$50  
16          a passenger a voyage. The tax is due and payable to the department in the manner and  
17          at the times required by the department by regulation.

18          **Sec. 43.52.130. Disposition of proceeds.** (a) The proceeds from the tax on  
19          commercial passenger vessels providing overnight accommodations and traveling in  
20          the marine waters of the state shall be deposited in a special commercial vessel  
21          passenger tax account in the general fund. The legislature may appropriate money  
22          from this account for the purposes described in (b) and (c) of this section.

23               (b) For each sailing of a commercial passenger vessel providing overnight  
24          accommodations, the commissioner shall identify the first five ports of call in the state  
25          and the number of passengers on board the vessel at each port of call. Subject to  
26          appropriation by the legislature, the commissioner shall distribute to each of the first  
27          five ports of call \$5 a passenger of the tax revenue collected from the tax levied under  
28          AS 43.52.100 - 43.52.199 for costs attributable to the commercial passenger vessel  
29          industry. If the port of call is a city located within a borough, the commissioner shall  
30          distribute \$2.50 a passenger to the city and \$2.50 to the borough. If a commercial  
31          passenger vessel stops at fewer than five ports of call, the commissioner shall

1 distribute \$5 a passenger of the tax revenue to each port of call.

2 (c) The legislature may appropriate money from the commercial vessel  
3 passenger tax account in the general fund to the following for costs attributable to the  
4 commercial passenger vessel industry:

5 (1) harbor project debt service;

6 (2) international airport bond debt service;

7 (3) the Department of Administration for risk management;

8 (4) the Department of Community and Economic Development for  
9 motor vehicle licensing and the state match to the Alaska travel industry marine pilot  
10 licensing program;

11 (5) the Alaska Railroad Corporation;

12 (6) the Department of Environmental Conservation for food and safety  
13 sanitation, environmental compliance, and spill prevention and response;

14 (7) the Department of Fish and Game for sport fisheries and wildlife  
15 conservation;

16 (8) the Department of Health and Social Services for epidemiology,  
17 the medical examiner, and public health laboratories;

18 (9) the Department of Labor and Workforce Development for the  
19 marine training program and wage and hour administration;

20 (10) the Department of Military and Veterans' Affairs for homeland  
21 security and emergency services local emergency planning committee;

22 (11) the Department of Natural Resources for state parks;

23 (12) the Department of Public Safety for fish and wildlife protection  
24 and search and rescue; and

25 (13) the Department of Transportation and Public Facilities for the  
26 Alaska marine highway system and international airports.

27 (d) Nothing in this section creates a dedicated fund.

28 **Sec. 43.52.140. Administration.** (a) The department shall

29 (1) administer AS 43.52.100 - 43.52.199; and

30 (2) collect, and supervise and enforce the collection of, taxes due under  
31 AS 43.52.100 - 43.52.199 and penalties as provided in AS 43.05.

1 (b) The department may adopt regulations to carry out the purposes of  
2 AS 43.52.100 - 43.52.199.

3 **Sec. 43.52.199. Definitions.** In AS 43.52.100 - 43.52.199, unless the context  
4 otherwise requires,

5 (1) "commercial passenger vessel" means a vessel that is used in the  
6 common carriage of passengers in commerce; "commercial passenger vessel" does not  
7 include a

8 (A) vessel with an overnight accommodation capacity for fewer  
9 than 12 passengers;

10 (B) noncommercial vessel or a vessel operated by the state, the  
11 United States, or a foreign government; or

12 (C) vessel licensed under AS 16.05.490 and used in charter  
13 service for the recreational taking of fish and shellfish;

14 (2) "marine waters of the state" means the marine bays, sounds, rivers,  
15 inlets, straits, passages, canals, Pacific Ocean, Gulf of Alaska, Bering Sea, and Arctic  
16 Ocean within the territorial limits of the state, and all other bodies of marine water that  
17 are wholly or partially within the state or are under the jurisdiction of the state;

18 (3) "passenger" means a person with whom a common carrier has  
19 contracted for carriage from one place to another.

20 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
21 read:

22 **TRANSITION: REGULATIONS.** Notwithstanding sec. 9 of this Act, the Department  
23 of Revenue may proceed to adopt regulations necessary to implement the provisions of secs. 2  
24 - 5 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act),  
25 but not before the effective date of the provision being implemented.

26 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
27 read:

28 **REVISOR'S INSTRUCTION:** The revisor of statutes shall substitute "AS 43.52.010 -  
29 43.52.099" for "this chapter" wherever "this chapter" occurs in AS 43.52.010 - 43.52.099.

30 \* **Sec. 8.** Sections 1 and 6 of this Act take effect immediately under AS 01.10.070(c).

31 \* **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect January 1, 2005."