

**SENATE BILL NO. 312**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/30/10  
Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act providing for a reduction in the excise tax to \$34.50 for a passenger for each  
2 voyage on a commercial passenger vessel; providing for a reduction in the state excise  
3 tax imposed on a passenger on a commercial passenger vessel by the amount of tax on a  
4 passenger traveling on a commercial passenger vessel imposed by a municipality that  
5 does not elect to receive an appropriation of a portion of the proceeds from the state tax;  
6 authorizing an appropriation from the proceeds from the excise tax imposed on a  
7 passenger on a commercial passenger vessel for state-owned infrastructure to properly  
8 provide for commercial vessel or passenger visits; requiring a municipality receiving  
9 funds appropriated from the excise tax imposed on a passenger on a commercial  
10 passenger vessel to use the funds to improve port and harbor facilities and other services  
11 and infrastructure to properly provide for commercial passenger vessel or passenger  
12 visits; limiting the reduction for the excise tax imposed by a municipality on a passenger

1 on a commercial passenger vessel to \$17.25 a passenger for each voyage; requiring the  
 2 Department of Commerce, Community, and Economic Development to prepare and  
 3 submit a report on the needs of communities to safely and efficiently host passengers  
 4 subject to the state tax imposed on a passenger on a commercial passenger vessel, and to  
 5 summarize the extent to which appropriations from the state tax have been used to  
 6 defray the costs of meeting those needs; eliminating the authority to appropriate funds  
 7 received from the excise tax imposed on a passenger on a commercial passenger vessel to  
 8 an area of the state that is not one of the first five ports of call in the state for a  
 9 commercial passenger vessel carrying a passenger subject to the state excise tax imposed  
 10 on a passenger of that vessel; and providing for an effective date."

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

12 \* **Section 1.** AS 43.52.200 is amended to read:

13 **Sec. 43.52.200. Levy of excise tax on overnight accommodations on**  
 14 **commercial passenger vessels.** There is imposed an excise tax on passengers  
 15 traveling [TRAVEL] on commercial passenger vessels providing overnight  
 16 accommodations that anchor or moor on [IN] the state's marine water with the  
 17 intent to allow passengers to embark or disembark.

18 \* **Sec. 2.** AS 43.52.210 is amended to read:

19 **Sec. 43.52.210. Rate of tax.** The tax imposed by AS 43.52.200 - 43.52.295 is  
 20 levied at a rate of \$34.50 for [\$46] a passenger for each [PER] voyage.

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

22 (a) The proceeds from the tax imposed under AS 43.52.200 - 43.52.295 [ON  
 23 TRAVEL ON COMMERCIAL PASSENGER VESSELS PROVIDING  
 24 OVERNIGHT ACCOMMODATIONS IN THE STATE'S MARINE WATER] shall  
 25 be deposited in a special "commercial vessel passenger tax account" in the general  
 26 fund. The legislature may appropriate money from this account for the purposes  
 27 described in (b) [AND (c)] of this section, for state-owned port and harbor facilities,

1 other services and infrastructure to properly provide for commercial passenger  
 2 vessel or passenger [WATERCRAFT] visits, to enhance the safety and efficiency of  
 3 interstate and foreign commerce, and such other lawful purposes as determined by the  
 4 legislature.

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

6 (b) For each voyage of a commercial passenger vessel providing overnight  
 7 accommodations, the commissioner shall identify the first five ports of call in the state  
 8 and the number of passengers on board the vessel at each port of call. Subject to  
 9 appropriation by the legislature, the commissioner shall distribute to each port of call  
 10 \$5 for each [PER] passenger of the tax revenue collected from the tax imposed  
 11 [LEVIED] under AS 43.52.200 - 43.52.295. If the port of call is a city located within a  
 12 borough not otherwise unified with the borough, the commissioner shall, subject to  
 13 appropriation by the legislature, distribute \$2.50 for each [PER] passenger to the city  
 14 and \$2.50 to the borough. Each port of call receiving funds under this section shall use  
 15 the funds [IN A MANNER CALCULATED] to improve port and harbor facilities and  
 16 other services and infrastructure to properly provide for commercial passenger  
 17 vessel or passenger [WATERCRAFT] visits and to enhance the safety and efficiency  
 18 of interstate and foreign commerce.

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

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

23 (c) The tax reduction under (b) of this subsection

24 (1) applies only to taxes imposed by a municipality that did not elect to  
 25 receive funds under AS 43.52.200 - 43.52.295 by December 17, 2007; and

26 (2) may not exceed 50 percent of the tax rate imposed under  
 27 AS 43.52.210.

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

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

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

3                   (2) summarizes the extent to which appropriations of the proceeds of  
4 the tax have been used to defray the cost of meeting the needs described in (1) of this  
5 subsection.

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

7                   (4) "voyage" means any trip or itinerary lasting more than 72 hours **on**

8 **the state's marine water.**

9 \* **Sec. 8.** AS 43.52.230(c) is repealed.

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