



LAWS OF ALASKA

2010

Source

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Chapter No.

101

AN ACT

Relating to the deposit of the proceeds of the tax on gambling operations aboard certain commercial passenger vessels into the general fund; providing for a reduction in the excise tax to \$34.50 for a passenger for each voyage on a commercial passenger vessel; describing the passengers that are subject to the excise tax and liable for the payment of the tax; providing for a reduction in the state excise tax imposed on a passenger traveling on a commercial passenger vessel by the amount of tax on a passenger traveling on a commercial passenger vessel imposed by a municipality under a law enacted before December 17, 2007; authorizing appropriations from the commercial vessel passenger tax account to the first seven ports of call in the state and for costs associated with commercial passenger vessels and the passengers on board; limiting the use of funds appropriated from the commercial passenger vessel tax account to expenditures related to port facilities, harbor infrastructure, other services provided to the commercial passenger vessels and the passengers on board those vessels and certain other purposes; repealing the regional cruise ship impact fund; relating to the administration of the excise tax by the Department of Revenue and regulations required to be adopted; requiring a report from the Department of Commerce, Community, and Economic Development relating to safely and efficiently hosting passengers; defining "voyage" for purposes of the excise tax; relating to municipal levies on a passenger on a commercial passenger vessel; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the deposit of the proceeds of the tax on gambling operations aboard certain
2 commercial passenger vessels into the general fund; providing for a reduction in the excise
3 tax to \$34.50 for a passenger for each voyage on a commercial passenger vessel; describing
4 the passengers that are subject to the excise tax and liable for the payment of the tax;
5 providing for a reduction in the state excise tax imposed on a passenger traveling on a
6 commercial passenger vessel by the amount of tax on a passenger traveling on a commercial
7 passenger vessel imposed by a municipality under a law enacted before December 17, 2007;
8 authorizing appropriations from the commercial vessel passenger tax account to the first
9 seven ports of call in the state and for costs associated with commercial passenger vessels and
10 the passengers on board; limiting the use of funds appropriated from the commercial
11 passenger vessel tax account to expenditures related to port facilities, harbor infrastructure,
12 other services provided to the commercial passenger vessels and the passengers on board

1 those vessels and certain other purposes; repealing the regional cruise ship impact fund;
2 relating to the administration of the excise tax by the Department of Revenue and regulations
3 required to be adopted; requiring a report from the Department of Commerce, Community,
4 and Economic Development relating to safely and efficiently hosting passengers; defining
5 "voyage" for purposes of the excise tax; relating to municipal levies on a passenger on a
6 commercial passenger vessel; and providing for an effective date.

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9 * **Section 1.** AS 43.35.220 is amended to read:

10 **Sec. 43.35.220. Disposition of receipts.** The proceeds from the tax on
11 gambling operations aboard commercial passenger vessels in the state's marine water
12 shall be deposited in **the large passenger vessel gaming and gambling tax account**
13 **that is established as a subaccount within the commercial vessel passenger tax**
14 **account (AS 43.52.230(a))** [A SPECIAL "COMMERCIAL VESSEL PASSENGER
15 TAX ACCOUNT" IN THE GENERAL FUND].

16 * **Sec. 2.** AS 43.52.200 is amended to read:

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

22 * **Sec. 3.** AS 43.52.210 is amended to read:

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

25 * **Sec. 4.** AS 43.52.220 is amended to read:

26 **Sec. 43.52.220. Liability for payment of tax.** A passenger **subject to**
27 [TRAVELING ON A COMMERCIAL PASSENGER VESSEL PROVIDING
28 OVERNIGHT ACCOMMODATIONS IN STATE MARINE WATER IS LIABLE

1 FOR] the **excise** tax imposed by AS 43.52.200 - 43.52.295 **is liable for the payment**
2 **of the tax**. The tax shall be collected **from the passenger** [AND IS DUE AND
3 PAYABLE TO THE DEPARTMENT

4 (1)] by the person who provides travel aboard a commercial vessel **and**
5 **shall be paid to the department** [FOR WHICH THE TAX IS PAYABLE; AND

6 (2)] in the manner and at the times required by the department by
7 regulation.

8 * **Sec. 5.** AS 43.52.230(a) is amended to read:

9 (a) The proceeds from the tax **imposed under AS 43.52.200 - 43.52.295** [ON
10 TRAVEL ON COMMERCIAL PASSENGER VESSELS PROVIDING
11 OVERNIGHT ACCOMMODATIONS IN THE STATE'S MARINE WATER] shall
12 be deposited in a special "commercial vessel passenger tax account" in the general
13 fund. The legislature may appropriate money from this account for the purposes
14 described in (b) and **(d)** [(c)] of this section [, FOR STATE-OWNED PORT AND
15 HARBOR FACILITIES, OTHER SERVICES TO PROPERLY PROVIDE FOR
16 VESSEL OR WATERCRAFT VISITS, TO ENHANCE THE SAFETY AND
17 EFFICIENCY OF INTERSTATE AND FOREIGN COMMERCE, AND SUCH
18 OTHER LAWFUL PURPOSES AS DETERMINED BY THE LEGISLATURE].

19 * **Sec. 6.** AS 43.52.230(b) is amended to read:

20 (b) For each voyage of a commercial passenger vessel [PROVIDING
21 OVERNIGHT ACCOMMODATIONS], the commissioner shall identify the first
22 **seven** [FIVE] ports of call in the state and the number of passengers **subject to the tax**
23 **imposed under AS 43.52.200 - 43.52.295** on board [THE VESSEL] at each port of
24 call. Subject to **annual** appropriation by the legislature, the commissioner shall
25 distribute to each port of call \$5 **for each** [PER] passenger **subject to the tax imposed**
26 [OF THE TAX REVENUE COLLECTED FROM THE TAX LEVIED] under
27 AS 43.52.200 - 43.52.295. If the port of call is a city located within a borough not
28 otherwise unified with the borough, the commissioner shall [, SUBJECT TO
29 APPROPRIATION BY THE LEGISLATURE,] distribute \$2.50 **for each** [PER]
30 passenger to the city and \$2.50 to the borough. **A city or borough that receives a**
31 **payment** [EACH PORT OF CALL RECEIVING FUNDS] under this **subsection**

1 [SECTION] shall use the funds **for** [IN A MANNER CALCULATED TO
2 IMPROVE] port [AND HARBOR] facilities, **harbor infrastructure**, and other
3 services **provided to the commercial passenger vessels and the passengers on**
4 **board those vessels** [TO PROPERLY PROVIDE FOR VESSEL OR WATERCRAFT
5 VISITS AND TO ENHANCE THE SAFETY AND EFFICIENCY OF INTERSTATE
6 AND FOREIGN COMMERCE].

7 * **Sec. 7.** AS 43.52.230 is amended by adding new subsections to read:

8 (d) In addition to making an appropriation for the payments described in (b) of
9 this section, the legislature may appropriate money from the commercial vessel
10 passenger tax account to projects that (1) improve port and harbor infrastructure, (2)
11 provide services to commercial passenger vessels and the passengers on board those
12 vessels, or (3) improve the safety and efficiency of the interstate and foreign
13 commerce activities in which the vessels and the passengers on board those vessels are
14 engaged.

15 (e) After October 31, 2010, and before November 1, 2015, a home rule or
16 general law municipality that imposes and collects a tax on a passenger traveling on a
17 commercial passenger vessel under a law enacted by the municipality before
18 December 17, 2007, may not receive an appropriation under (d) of this section.

19 * **Sec. 8.** AS 43.52.240 is amended to read:

20 **Sec. 43.52.240. Administration.** [(a)] The department shall

21 (1) [ADMINISTER AS 43.52.200 - 43.52.295; AND

22 (2)] collect [, SUPERVISE,] and enforce the collection of taxes due
23 under AS 43.52.200 - 43.52.295 and penalties as provided in AS 43.05;

24 **(2)** [.

25 (b) THE DEPARTMENT MAY] adopt regulations necessary for the
26 administration of AS 43.52.200 - 43.52.295; **and**

27 **(3) subject to annual appropriation, distribute the payments**
28 **described in AS 43.52.230(b).**

29 * **Sec. 9.** AS 43.52 is amended by adding a new section to read:

30 **Sec. 43.52.255. Tax reduction for local levies.** The tax imposed on a
31 passenger by AS 43.52.200 - 43.52.295 shall be reduced by the total amount of a tax

1 on the passenger traveling on a commercial passenger vessel that is imposed and
2 collected by a home rule or general law municipality under a law enacted before
3 December 17, 2007.

4 * **Sec. 10.** AS 43.52 is amended to add a new section to read:

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

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

10 (2) summarizes the extent to which appropriations of the proceeds of
11 the tax have been used to defray the cost of meeting the needs described in (1) of this
12 section.

13 * **Sec. 11.** AS 43.52.295(4) is amended to read:

14 (4) "voyage" means any trip or itinerary lasting more than 72 hours **on**
15 **the state's marine water.**

16 * **Sec. 12.** AS 43.52.230(c) and 43.52.250 are repealed.

17 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **SUBSEQUENT LEGISLATIVE REVIEW.** The Twenty-Eighth Alaska State
20 Legislature, in its Second Regular Session, shall revisit the changes made under this Act. In
21 addition to the report required under AS 43.52.260, added by sec. 10 of this Act, the
22 commissioner of revenue shall, on or before January 1, 2014, submit a written report to the
23 president of the senate and the speaker of the house of representatives regarding the effect of
24 this Act on revenue and travel to and from state ports by commercial passenger vessels during
25 the period beginning January 1, 2010, and ending November 15, 2013. The report must
26 include, for each calendar year,

27 (1) the number of passengers subject to state taxes under AS 43.52.200 -
28 43.52.295;

29 (2) tax revenue collected by the state under AS 43.52.200 - 43.52.295;

30 (3) the amount of municipal taxes imposed and collected by each home rule or
31 general law municipality that, under AS 43.52.255, added by sec. 9 of this Act, reduced the

1 tax imposed under AS 43.52.200 - 43.52.295;

2 (4) the total amount of taxes related to gambling activities collected under
3 AS 43.35.200 - 43.35.220;

4 (5) a list of ports in the state that were visited by commercial passenger
5 vessels and, for each port listed,

6 (A) the number of passengers on board those vessels;

7 (B) the amount of taxes the state collected under AS 43.52.200 -
8 43.52.295; and

9 (C) the amount of taxes the state distributed to the port of call under
10 AS 43.52.200 - 43.52.295.

11 * **Sec. 14.** This Act takes effect October 31, 2010.