



CITY OF PETERSBURG
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To: Mayor and Councilors of the Coastal Alaska Communities of Juneau, Ketchikan, Sitka, Wrangell, Craig, Haines, Yakutat, and Kodiak

From: Mayor Al Dwyer and the City of Petersburg Council Members

Date: March 25, 2010

Dear Fellow Mayors and Councilors,

Please join the City of Petersburg in urging our Alaska State Legislators to amend the Fisheries Business Tax (Raw Fish Tax) legislation to share more than the current 50% of the tax revenue with qualified communities. We feel that an increased share of the tax revenue would encourage municipalities to continue to maintain, upgrade and operate the public boat harbors that were transferred from State ownership to municipality ownership during the 1990's and early 2000's.

The State of Alaska's current share of the tax revenue (50%) is placed into the State's General Fund and is not designated for any specific purpose. We feel receiving a larger share of the tax revenue would assist the municipalities to retain successful, working harbors.

We hope you join us in this request. A copy of the City of Petersburg's Resolution #1923 is enclosed.

Sincerely,

Al Dwyer, Mayor
City of Petersburg, Alaska

AD/dkt

CITY OF PETERSBURG, ALASKA

RESOLUTION #1923

A RESOLUTION 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

WHEREAS, shared fisheries tax became law in 1962 and the amount of sharing with qualified municipalities was then 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 2000's, 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 1990's to mid 2000's 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

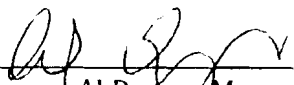
WHEREAS, the Bill of Sales for these harbor facilities came with a covenant that the municipalities shall operate and maintain the harbor facilities for the use and benefit of the public and in the event the municipality fails or ceases to administer, maintain and operate the harbor facilities as public 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.

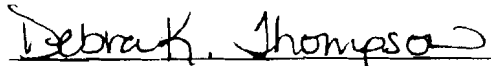
THEREFORE BE IT RESOLVED the Petersburg City Council requests the Legislature amend the Fisheries Business Tax (raw fish tax) law and share more than the current 50% of the tax revenue with the qualified municipalities. Increased share of the tax would encourage municipalities to continue to maintain,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

Passed and Approved by the Petersburg City Council at a Regular Meeting held Monday, March 8, 2010.



Al Dwyer, Mayor

Attest:



Debra K. Thompson, Deputy City Clerk