

**FY11 Shared Fisheries Business Tax Program
Alternative Method Resolution**

CITY AND BOROUGH OF SITKA, ALASKA

RESOLUTION NO. 2010-33

**A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE
FY11 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT
THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF
SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN CENTRAL
SOUTHEAST FISHERIES MANAGEMENT AREA**

WHEREAS, AD29.60.450 requires that for a municipality to participate in the FY11 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2009 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,


WHEREAS, The City and Borough of Sitka proposes to use an alternative allocation method for allocation of FY11 funding available within the Central Southeast Fisheries Management Area in agreement with all other municipalities in this area participating in the FY11 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The City and Borough of Sitka by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2009 of fisheries business activity in the Central Southeast Fisheries Management Area.


**ALTERNATIVE ALLOCATION METHOD:
50% divided equally and 50% divided on a per capita basis**

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on the 30th day of November, 2010

SIGNED


Cheryl Westover, Mayor

ATTEST


Colleen Ingman, MMC, Municipal Clerk



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

20: Finance

Sean Parnell, Governor
Susan K. Bell, Commissioner
Tara Jollie, Director

November 17, 2010

Dear Municipal Official:

The purpose of the **Shared Fisheries Business Tax Program** is to provide for a sharing of state fish tax collected outside municipal boundaries with municipalities that have been affected by fishing industry activities. Municipalities around the state will share approximately \$2.32 million based on 2009 fisheries activity as reported by fish processors on their fish tax returns.

Because the Department of Revenue, Tax Division, was nearly three months late in providing this Division with its 2009 fish processing data, all program deadlines outlined in the attached FY 11 application have been waived. However, we strongly encourage your municipality to complete the FY 11 Shared Fisheries Business Tax application as soon as possible so that we can begin releasing payments as early as possible.

The law that created this program requires that program funding be first allocated to fisheries management areas around the state based on the level of fish processing in each area compared to the total fish processing for the whole state. Then the funding is further allocated among the municipalities located within each fisheries management area based on the relative level of impacts experienced by each municipality. Details of how the program works are presented in the application under *Program Description*.

Your municipality is located in the **Central Southeast Fisheries Management Area**. The FY 11 program allocation to be shared within this area is estimated to be **\$156,146.97**.

The municipalities located in this area include Coffman Cove, Kake, Kupreanof, Pelican, Petersburg, Port Alexander, Sitka and Wrangell.

In fisheries management areas where the program allocation is greater than \$4,000 multiplied by the number of municipalities in the area, program regulations provide for a "long-form" application. In your area the threshold value equals \$32,000 (8 municipalities x \$4,000) and you are therefore receiving the attached Long-Form Application. The long-form application provides for a "standard" and an "alternative" method of funding allocation.

If you have any questions about the program, or require assistance in completing the application, please call me at 465-4733.

Sincerely,

Bill Rolfzen
Program Administrator

P.O. Box 110809, Juneau, Alaska 99811-0809

Telephone: (907) 465-5550 / 465-4733 Fax: (907) 465-4761 Text Telephone: (907) 465-5437

Email: questions@alaska.gov Website: <http://www.commerce.alaska.gov/dcra/>

FY 11 Shared Fisheries Business Tax Program Application Instructions

ALTERNATE METHOD

The Process

- In the alternate method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the department be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.
- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.
- By November 1, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.
- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.
- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must **clearly describe the approved alternative allocation method within that area**. After all alternative method applications within an area have been received and approved, the department will perform the allocations and distribute program funds.

General Guidelines for Developing an Alternative Allocation Method

→ All municipalities in a fisheries management area must agree on the alternative method: There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

→ Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area. The measure of significant effects may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use

community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure, or may use a combination of measures.

Specific Instructions for an Alternative Method Application

In the alternative method application, a **cover page and approved resolution** constitute the application. No other forms need to be submitted. A cover page and sample resolution have been attached for your use.

**Submit your completed application
by no later than December 15, 2010, to:**

**Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Shared Fisheries Business Tax Program
P.O. Box 110809
Juneau, AK 99811-0809**

**If you require assistance in completing this application,
please call Bill Rolfzen at 465-4733.**

**ALTERNATIVE METHOD APPLICATION
for the
FY 11 SHARED FISHERIES BUSINESS
TAX PROGRAM**

Name of Municipality: City and Borough of Sitka

Address: 100 Lincoln Street

Sitka, AK 99835

Contact Person: David L. Wolff

Phone Number: 907 747 1836

Return this cover page along with your resolution to:

Department of Commerce, Community, and
Economic Development
Division of Community and Regional Affairs
Shared Fisheries Business Tax Program
P.O. Box 110809
Juneau, AK 99811-0809