

Introduced by: Mayor  
Date: 10/11/11  
Hearing: 12/06/11  
Action: Postponed Until 01/17/12  
Date: 01/17/12  
Action: Enacted  
Vote: 7 Yes, 0 No, 2 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2011-19-25**

**AN ORDINANCE ACCEPTING AND APPROPRIATING CRUISE SHIP PASSENGER  
TAX PROCEEDS RECEIVED FROM THE STATE OF ALASKA IN THE AMOUNT OF  
\$797,217.50 AND ALLOCATING \$761,705 TO THE CITY OF SEWARD AND \$35,512.50  
TO THE CITY OF HOMER**

**WHEREAS,** in the August 22, 2006, State of Alaska election, Alaska voters approved the initiative in Ballot Measure 2, enacting AS 43.52.200 – 43.52.295, which imposed a tax on travel aboard certain cruise ships travelling in Alaska waters; and

**WHEREAS,** the Alaska legislature has authorized sharing of Commercial Passenger Vessel (CPV) excise tax collections with eligible ports of call in the State; and

**WHEREAS,** CPV excise tax collections are derived from taxes imposed on cruise ship passengers; and

**WHEREAS,** the City of Seward and the City of Homer are eligible ports of call for receiving CPV funds; and

**WHEREAS,** when the eligible ports of call are cities located in a borough then the cities and the borough each received \$2.50 for each passenger; and

**WHEREAS,** the total amount received by the borough from the State of Alaska for the 2009 and 2010 calendar CPV programs was \$797,217.50; and

**WHEREAS,** the City of Seward and City of Homer have requested that funds received by the borough that are derived from cruise ship passengers in each city be appropriated to each city for port improvement projects; and

**WHEREAS,** the intended use of these funds by the cities of Seward and Homer will comply with AS 43.52.230(b), federal legislation and court rulings that permit the use of these funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the mayor is authorized to execute grant agreements and any other documents deemed necessary to expend the funds and to fulfill the intents and purposes of this ordinance.

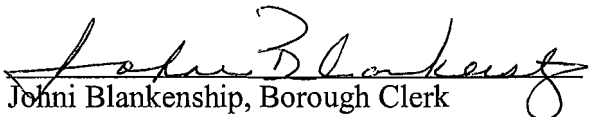
**SECTION 2.** That \$797,217.50 received from the State of Alaska in FY2010 and FY2011 for the commercial passenger vessel excise tax collection program be appropriated from the miscellaneous grant fund fund balance to account 271.94910.11CPV. 43011 contract services, for payment to the City of Seward in the amount of \$761,705.00 and to the City of Homer in the amount of \$35,512.50 to be used for port improvement projects.

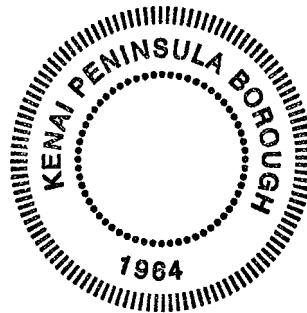
**SECTION 3.** This ordinance shall become effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF FEBURARY, 2012.**

  
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Gary Knopp, Assembly President

ATTEST:

  
Johni Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith  
No: None  
Absent: Tauriainen, Knopp