




Kenai Peninsula Borough

Community & Fiscal Projects

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 
Brandi Harbaugh, Finance Director 

FROM: Rachel Chaffee, Community & Fiscal Projects Manager 

DATE: August 11, 2022

RE: Ordinance 2022-19-12, Accepting and Appropriating the Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska Under the Federal Pass-Through Program, American Rescue Plan Act of 2021 in the Amount of \$612,640 and Allocating \$577,195 to the City of Seward and \$35,445 to the City of Homer (Mayor)

The State of Alaska Commercial Passenger Vessel Tax Program ("CPV"), originally enacted in 2006, provides for the levy and collection of this tax and the disposition of the proceeds. The taxes are deposited into a State of Alaska fund called the CPV tax account. A portion of the proceeds are disbursed to the first seven ports of call each year. If ports of call are located in a city within a borough, \$2.50 per passenger is distributed to the city and the borough in which the city is located. Both the City of Seward and the City of Homer have qualified for these calendar year 2021 funds. Historically, the Borough has elected to pass the funds distributed to the Borough through to the cities in which the ports are located.

This year, the State of Alaska's operating budget funded the CPV budget with American Rescue Plan Act funds (ARPA). The U.S. Treasury Final Guidance restricts the use of these funds to each city for specific purposes. The cities may use these projects for eligible pay-go critical infrastructure projects based on specific criteria found within the final guidance. Therefore, the cities' projects must be approved and be allowable under the U.S. Treasury Final Guidance.

Each city will be provided a request letter describing in detail their planned usage for eligible projects, and information sufficient to confirm the eligibility relating to revenue replacement fund usage.

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August 11, 2022
Re: O2022-19-12

Subrecipient grant agreements will be executed on a reimbursement basis, where quarterly grant reports will be required. The Community & Fiscal Projects Manager shall oversee the program. Funding amounts are determined by the State of Alaska for each port of call.

Attachments: City of Homer Request Letter, City of Seward Request Letter

Your consideration of the ordinance is appreciated.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Acct. No:	<u>271.94910.22CPV.49999</u>
Amount:	<u>\$612,640</u>
By	<u>CJ</u> Date: <u>8/11/2022</u>