

Kenai Peninsula Borough Assembly

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Dale Bagley, Assembly Vice-President *DLB*

DATE: March 21, 2019

RE: Resolution 2019-026, Opposing SB 63 and HB 65 Repealing Fisheries Business Tax Refunds to Municipalities and Revenue Sharing for Fishery Resource Landing Taxes (Bagley)

Governor Michael Dunleavy transmitted Senate Bill 63 and House Bill 65 to the legislature which would delete all local municipalities' ability to receive local fisheries business taxes and fishery resource landing taxes. These two taxes are collected by the State and shared with municipalities to help those local governments to provide services, strengthen infrastructure and build capacity for the industry to operate effectively in these communities.

These revenues are an important component of the Kenai Peninsula Borough's annual budget, equating to \$727,284 in fiscal year 2018. In other years, this revenue has been even more significant. For example, in fiscal year 2016 revenues for fisheries business taxes and fishery resource landing taxes exceeded \$860,097. Cities in the borough also receive their share of these funds directly from the state.

Because the impacts associated with these fisheries is most significant where the landings occur, including both set net sites and from boats, it is fair and reasonable that the revenue generated from these taxes goes to those communities. Maintaining the current methods of sharing these revenues is important to the Kenai Peninsula Borough, the cities in the borough, and to many other communities across the State.

This resolution strongly encourages Governor Dunleavy and the state legislature to rescind or defeat Senate Bill 63 and House Bill 65.

Your support is appreciated.