

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 7-11-06

Submitted by: ASSEMBLY MEMBER COFFEY
Prepared by: ASSEMBLY MEMBER COFFEY
For reading: July 11, 2006

ANCHORAGE, ALASKA
AR NO. 2006-166

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY OPPOSING THE
CRUISE SHIP TAX AND REGULATION INITIATIVE, BALLOT MEASURE 2.**

WHEREAS, a healthy, growing, visitor industry is vital to the continued economic well-being of the Anchorage Community; and

WHEREAS, the cruise industry is a vital part of Anchorage's visitor industry; and

WHEREAS, cruise-related spending accounts for more than 2,900 jobs and \$122 MILLION in payroll in South Central Alaska; and

WHEREAS, the cruise industry is important to many local governments, which collect over \$42 MILLION annually in taxes, fees, and port assessments; and

WHEREAS, cruise lines in Alaska have spent over \$60 MILLION in environmental upgrades and serve as a world-wide model for marine environmental standards; and

WHEREAS, cruise lines are closely monitored by the U.S. Coast Guard and the Alaska Department of Environmental Conservation; and

WHEREAS, under the terms and provisions of the proposed cruise ship Ballot Initiative, four new targeted taxes on cruise ship visitors and the cruise ship industry would be imposed:

A Head Tax of \$46.00 per passenger;

An Ocean Ranger Program Tax of \$4.00 per passenger berth;

A Corporate Income Tax on sea-based businesses as opposed to on-shore businesses, which are currently taxed;

A Gaming Tax of 33% on gross receipts from gaming on shipboard; and

WHEREAS, the taxes collected under this proposed Ballot Initiative cannot be used for general government purposes because under federal law, these proposed taxes can only be used in port towns and cities for services, security and safety associated with the port of entry; and

1
2 WHEREAS, Anchorage is not a principal port of entry and would suffer the
3 economic consequences of reduced cruise ship passengers and related commerce,
4 with no offsetting tax receipts; and
5

6 WHEREAS, under the terms and provisions of the Ballot Initiative, several
7 requirements are imposed in addition to the taxes described above, including these
8 additional requirements:
9

10 All Alaskans and Alaska businesses who sell products or services to cruise
11 ship passengers would be required to disclose orally and in writing any
12 amount paid to the cruise ship or travel agent for the Alaskan product or
13 services;
14

15 The Ocean Ranger Program would create an overseer program for the
16 cruise ship industry, purportedly to oversee Coast Guard and Marine Pilot
17 operations of this industry;
18

19 The proposed oversight prohibits submission of certain Coast Guard
20 required data electronically, and mandates that hard paper copies of this
21 information be provided; and
22

23 WHEREAS, it is important to provide a business tax and regulatory environment
24 that encourages the growth of Alaska's visitor industry while accomplishing
25 appropriate tax and environmental oversight; and
26

27 WHEREAS, the proposed cruise ship tax and regulation initiative neither
28 encourages growth of Alaska's visitor industry, nor will it accomplish appropriate and
29 meaningful regulatory oversight; and
30

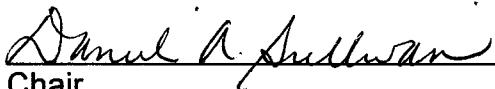
31 WHEREAS, the proposed Ballot Initiative imposes taxes and regulatory
32 requirements that are burdensome, duplicative, and non-productive;
33

34 NOW THEREFORE BE IT RESOVED:
35


36 THE ANCHORAGE ASSEMBLY, **THOUGH NOT OPPOSED TO A CRUISE**
37 **SHIP TAX IN PRINCIPLE,** FINDS THAT BALLOT MEASURE 2 IS NOT IN THE
38 BEST ECONOMIC INTEREST OF THE MUNICIPALITY OF ANCHORAGE OR THE

STATE OF ALASKA, AND THEREFORE THE ANCHORAGE ASSEMBLY OPPOSES
BALLOT MEASURE 2.

PASSED AND APPROVED by the Anchorage Assembly this 11th day of
July, 2006.


Chair

ATTEST:


Municipal Clerk



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
NO. AM 455-2006

Meeting Date: July 11, 2006

From: Assembly Member Coffey
Subject: AR 2006-166 — A Resolution of the Anchorage Municipal Assembly
Opposing the Cruise Ship Tax and Regulation Initiative, Ballot
Measure 2.

Ballot Measure 2 will appear on the statewide primary election ballot August 22, 2006. This measure will have a direct and negative impact on visitor spending in Anchorage.

Approximately 292,000 cruise passengers visit Anchorage annually. This creates \$108 million in direct spending and over \$1.8 million in bed tax revenues each year.

Cruise-related visitors account for half of all visitors to Alaska and are vital to the Anchorage economy. The proposed ballot measure will raise costs and discourage local spending. It contains nine pages of increased bureaucratic requirements for disclosure of confidential business information.

This is why civic organizations and the business community have gone on record in opposition to Ballot Measure 2, including the Anchorage Convention & Visitors Bureau, the Anchorage Chamber of Commerce, Anchorage Economic Development Corporation, and the Alaska Cabaret, Hotel, Restaurant & Retailers Association, among others.

Respectfully submitted,

Assemblymember Coffey, Section 4

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

AR 2006-166

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT	DATE PREPARED	
	OPPOSING THE CRUISE SHIP TAX AND REGULATION INITIATIVE, BALLOT MEASURE 2	6/29/06	
		Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM	
2	DEPARTMENT NAME	DIRECTOR'S NAME	
	Assembly	Dan Sullivan, Chair	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER	
	Julia Tucker - Assembly Counsel	343-4419	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
	Mayor		
	Municipal Clerk		
	Municipal Attorney		
	Employee Relations		
	Municipal Manager		
	Cultural & Recreational Services		
	Fire		
	Health & Human Services		
	Merrill Field Airport		
	Municipal Light & Power		
	Office of Management and Budget		
	Police		
	Port of Anchorage		
	Public Works		
	Solid Waste Services		
	Transit		
	Water & Wastewater Utility		
	Executive Manager		
	Community Planning & Development		
	Finance, Chief Fiscal Officer		
	Heritage Land Bank		
	Management Information Services		
	Property & Facility Management		
	Purchasing		
	Other		
5	Special Instructions/Comments		
	CONSENT AGENDA - RESOLUTIONS FOR ACTION-OTHER		
6	ASSEMBLY HEARING DATE REQUESTED	7	PUBLIC HEARING DATE REQUESTED
	7/11/06		N/A

M.O.A.
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