

Proposed by:	Administration
Vote:	4 Aye 0 Nay 2 Absent

**MUNICIPALITY OF SKAGWAY, ALASKA**  
**RESOLUTION NO. 09-25R**

**A RESOLUTION OF THE MUNICIPALITY OF SKAGWAY, ALASKA URGING GOVERNOR PARNELL AND THE ALASKA LEGISLATURE TO EVALUATE THE COMMERCIAL PASSENGER VESSEL EXCISE TAX (CPV )OF \$50 BY VOTER REFERENDUM IN 2006.**

**WHEREAS, 68%** of Skagway residents did not vote for the CPV Tax in 2006; and

**WHEREAS,** After passage of the referendum the Municipality of Skagway contracted a professional company to present a report on the allowed uses for the CPV funds allocated to the Municipality; and

**WHEREAS,** The Municipality of Skagway has used the funds allocated to them in a manner appropriate to its intended use as established by AS 43.52.230 which states that the Municipality of Skagway “use the funds [it receives] in a manner calculated to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce”; and

**WHEREAS,** The Municipality of Skagway has annually funded projects to enhance the visitor experience through other funding sources. The Municipality will continue to develop infrastructure that helps our most important economic base (tourism) and also to provide for a good quality of life for its residents; and

**WHEREAS,** The Municipality of Skagway is starting to see a significant drop in cruise visitation. It is projected that a loss of 150,000 will have occurred between 2007-2010 and will account for an approximate 15% in employment. This will result in an estimated local tax revenue loss exceeding 15%; and

**WHEREAS,** The drop in visitors coincides with the implementation of the CPV Tax. Redeployment of vessels to emerging markets and a struggling world economy has also contributed to a rapid decline in visitation; and

**WHEREAS,** The stringent “point of discharge” standards implemented by the 2006 referendum have caused an uneven playing field. The Cruise Industry is held to standards of discharge that local government and other industries are not required to adhere to;

**NOW THEREFORE BE IT RESOLVED, that** the Municipality of Skagway urges Governor Parnell and the Alaska Legislature to evaluate the legislation passed in 2006 by voter referendum that includes the \$50 CPV Tax and the “point of discharge” regulations; and

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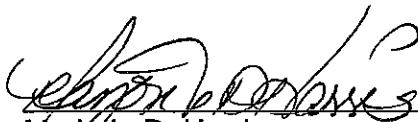
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**BE IT FURTHER RESOLVED**, that the Municipality of Skagway encourages Governor Parnell or the Alaska Legislature to appoint a panel or committee to take a close look at the effects of this legislation and develop appropriate recommendations that will help encourage the cruise industry to continue to maintain and expand its presence in Alaska.

**PASSED AND APPROVED** this 20<sup>th</sup> day of August, 2009 by the Assembly of the Municipality of Skagway, Alaska.

  
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Thomas D. Cochran, Mayor

ATTEST:

  
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Marjorie D. Harris  
Municipal Clerk

(SEAL)

