

Proposed by: Administration
Attorney Review: 11/27/2018

Vote: 6 Aye 0 Nay 0 Absent

MUNICIPALITY OF SKAGWAY, ALASKA RESOLUTION NO. 18-24R

A RESOLUTION OF THE MUNICIPALITY OF SKAGWAY, ALASKA ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY19 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 17: NORTHERN SOUTHEAST AREA.

WHEREAS; AS 29.60.450 requires that for a municipality to participate in the FY19 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2017 from fisheries business activities, and

WHEREAS; 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS; 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS; the Skagway Borough Assembly proposes to use an alternative allocation method for allocation of FY19 funding available within the FMA 17: Northern Southeast Area in agreement with all other municipalities in this area participating in the FY19 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED, the Skagway Borough Assembly by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2017 of fisheries business activity in FMA 17: Northern Southeast Area:


All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.

PASSED AND APPROVED this 6th day of December, 2018, by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway, Alaska.



Monica Carlson, Mayor

ATTEST:



Emily A. Deach, Borough Clerk
(SEAL)



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737
Main: 907.451.2718
Programs fax: 907.451.2742

RECEIVED

NOV 21 2018

MUNICIPALITY OF SKAGWAY

November 15, 2019

Dear Municipal Official:

The Department of Commerce, Community, and Economic Development is pleased to announce availability of the **FFY 2019 Shared Fisheries Business Tax Program**. The purpose of the program is to allocate a share of state fish tax collected outside municipal boundaries with municipalities affected by fishing industry activities. Municipalities around the state will share approximately \$1.6 million based on 2017 fisheries activity as reported by fish processors on their fish tax returns. Details of how the program works are included in the application under *Program Description*.

Historically, your municipality along with the other communities in your fisheries management area (FMA) has filed using the Alternative Method found on the last four pages of this application. A breakdown is included that details the communities in your FMA, in addition to the anticipated payment based on the agreed upon allocation method for your FMA. If this agreement is still in place with your FMA, you will only need to have your Council/Assembly pass the enclosed alternative method sample resolution in order to participate in the program.

If your FMA intends to change the alternative method of allocation, the new proposal must be submitted to our office no later than **January 15, 2019**. If an agreement cannot be made with all communities in your FMA, you will need to file using the standard method and claim your significant effects. Instructions on both of these methods are detailed in the application packet.

**DEADLINE FOR SUBMISSION OF COMPLETED APPLICATION IS
FEBRUARY 15, 2019.**

Applications can be scanned and emailed to caa@alaska.gov with the subject line "**Municipality Name, FY19, SFBT**". If you have any questions about the program or require assistance in completing the application, please contact me at kimberly.phillips@alaska.gov or call (907) 451-2718.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly Phillips".

Kimberly Phillips
Grants Administrator II

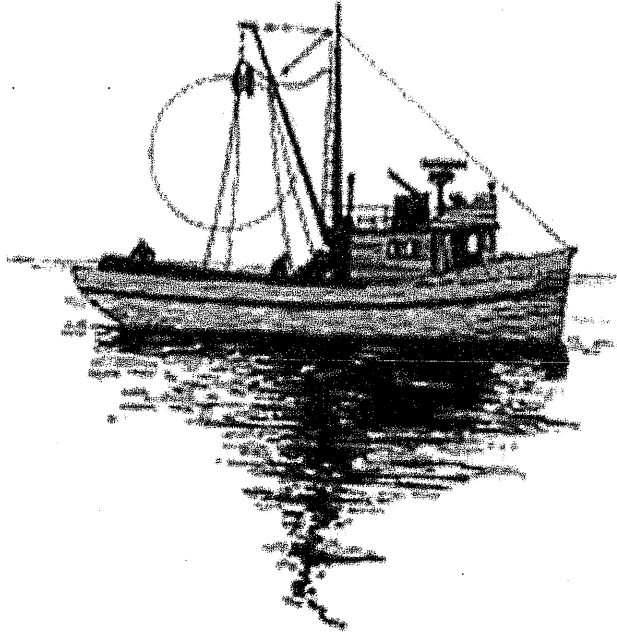
Enclosures

FMA 17: Northern Southeast Area

Community	Population	50% Divided share	50% per capita share	Calculated Allocation	Reference Number
Total allocation:	\$19,775.98	\$9,887.99	\$9,887.99		
City of Angoon	404	\$1,412.57	\$106.04	\$1,518.61	18-SF17-01
City of Gustavus	544	\$1,412.57	\$142.79	\$1,555.36	18-SF17-02
Haines Borough	2,459	\$1,412.57	\$645.45	\$2,058.02	18-SF17-03
City of Hoonah	773	\$1,412.57	\$202.90	\$1,615.47	18-SF17-04
City and Borough of Juneau	32,269	\$1,412.57	\$8,470.06	\$9,882.63	18-SF17-05
Municipality of Skagway	1,087	\$1,412.57	\$285.32	\$1,697.89	18-SF17-06
City of Tenakee Springs	135	\$1,412.57	\$35.44	\$1,448.01	18-SF17-07
Totals	37,671	\$9,887.99	\$9,887.99	\$19,775.98	
Community Count	7				

* All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.

DCCED
Shared Fisheries Business
Tax Program
FY 19 Long-Form Application
For
FMA 17: Northern Southeast Area



**APPLICATION MUST BE SUBMITTED TO DCCED
NO LATER THAN FEBRUARY 15, 2019**

State of Alaska
Bill Walker, Governor
Department of Commerce, Community, and
Economic Development
Mike Navarre, Commissioner
Division of Community and Regional Affairs
Katherine Eldemar, Director

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

Program Eligibility

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

Program Funding

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2017.

Program funding is allocated in two stages:

1st Stage: Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2017 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2017, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2017.

2nd Stage: The funding available within each FMA will be allocated among the municipalities in that area based on the level of fishing industry significant effects suffered by each municipality compared to the level of effects experienced by the other municipalities in that FMA.

Some boroughs, because of their extensive area, are included in more than one fisheries management area. In these cases, the borough must submit a separate program application for each area.

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

There are two possible application methods: Standard and Alternative

Standard Method: In the Standard Method, established by the department, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in 2017. These impacts are submitted by each municipality in their applications. The department will review the applications and determine if the impacts submitted are valid. Once the impacts have been established for each of the municipalities in the FMA, the department will calculate the allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

Alternative Method: Alternative allocation methods may be proposed by the municipalities within the FMA. The department will consider approving the use of a proposed alternative method only if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

This application packet contains the instructions and forms applying under:

- STANDARD METHOD
- ALTERNATIVE METHOD

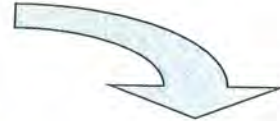
The chart on the following page summarizes the process for these two methods.

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

PROCESS FOR METHODS



November 15
Commerce mails program applications to municipalities



STANDARD METHOD

No later than February 15

Each municipality determines and documents the cost of fisheries impacts on the community and submits this information with their application.

No later than April 15

Commerce reviews applications, makes a determination as to the validity of the submitted impacts, and notifies the municipalities of this determination.

Within 30 days

Municipalities have 30 days in which to appeal Commerce's determinations regarding submitted impacts.

Within 20 days

Commerce will respond to appeals within 20 days after receiving them.

After all appeals are resolved

Commerce will perform the formula calculations for each FMA based on the relative impacts approved for each municipality in the FMA, and distribute the funding allocations.

ALTERNATE METHOD

No later than January 15

All municipalities in an FMA work together to develop an alternate allocation formula and submit their proposal to Commerce. Municipalities are encouraged to consult with Commerce during this effort regarding the acceptability of alternative methods.

No later than February 1

Commerce reviews alternate proposals, determines if proposals are acceptable, and notifies the municipalities of this determination. If the proposal is accepted, municipalities may then use the Alternative Method application. If the proposal is not acceptable to Commerce, the department will work with municipalities in an area to resolve problems. If the problems cannot be resolved, the municipalities in that FMA must apply using the Standard Method application.

No later than February 15

Each municipality must submit an Alternative Method application. Commerce will distribute allocations after all applications within that FMA have been received and verified.

FY 19 Shared Fisheries Business Tax Program Application Instructions

ALTERNATIVE METHOD

- In the alternative method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the department be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.
- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.
- By January 15, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.
- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.
- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must clearly describe the approved alternative allocation method within that area. After all alternative method applications within an area have been received and approved; the department will perform the allocations and distribute program funds.

Instructions for Alternative Method Application

In the alternative method application, an approved resolution constitutes the application. No other forms need to be submitted. A sample resolution has been attached for your use.

General Guidelines for Developing an Alternative Allocation Method

All municipalities in a fisheries management area must agree on the alternative method: There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area. The measure of significant effects may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure, or may use a combination of measures.

**Submit your completed application
no later than
February 15, 2019 to:**

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY19, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

**If you require assistance in completing this application, contact
Kimberly Phillips at 451-2718.**

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM

ALTERNATE METHOD APPLICATION For

FMA 17: NORTHERN SOUTHEAST AREA

Name of Municipality:

Address:

Contact Person:

Phone Number:

Return cover page, and resolution

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY19, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

FY 19 Shared Fisheries Business Tax Program
Alternative Method Resolution

(City or Borough)

RESOLUTION NO. _____

A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY18 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 17: NORTHERN SOUTHEAST AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 19 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2017 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The _____
(Governing Body) proposes to use an alternative allocation method for allocation of FY19 funding available within the FMA 17: Northern Southeast Area in agreement with all other municipalities in this area participating in the FY19 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The _____
(Governing Body) by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2017 of fisheries business activity in FMA 17: Northern Southeast Area:

- **All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.**

PASSED and APPROVED by a duly constituted quorum of the _____ this _____ day
of _____ 20____.
(Governing Body)

SIGNED _____
Mayor

ATTEST _____
Clerk