



AGENDA ITEM REPORT

Resolution 23-003, A Resolution of the City Council of Homer, Alaska Adopting an Alternative Allocation Method for the FY23 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 14: Cook Inlet Area. City Manager.

Item Type: Resolution
Prepared For: Mayor and City Council
Meeting Date: 09 Jan 2023
Staff Contact: Rob Dumouchel, City Manager
Department: Administration
Attachments: [Resolution 23-003](#)

Summary Statement:

The City of Homer receives revenue from the State of Alaska for fish tax collected by the State in two different ways. The Department of Revenue distributes “Raw Fish Tax” from licensed seafood processors, floating processors and seafood exporters to eligible municipalities. These funds, when received by the City of Homer, are allocated to Fish Dock Revenues.

The second way the City of Homer receives fish tax revenue is through the Alaska Department of Commerce, Community, and Economic Development (ADCCED). ADCCED receives 50% of the undistributed Raw Fish Tax from the Department of Revenue to distribute through a program known as the Shared Fisheries Business Tax Program. The purpose of this program is to provide for a sharing of state fish tax collected outside municipal boundaries with municipalities that have been affected by fishing industry activities. For the Cook Inlet Fisheries Management Area, of which the City of Homer is a part, there are ten communities that will receive a shared portion of that collected shared fish tax. The ten communities are the Municipality of Anchorage, Homer, Kachemak, Kenai, Kenai Peninsula Borough, Seldovia, Seward, Soldotna, Houston, and Palmer.

A Resolution from the Homer City Council is required annually to receive these funds. If any of the communities listed above do not apply by the deadline in March of 2023, then the funds will be reallocated to communities that did apply.

Staff Recommendation:

Adopt Resolution 23-003

Attachments:

[Resolution 23-003](#)

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 23-003

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY23 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 14: COOK INLET AREA.

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 23 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 2021 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 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 Homer City Council proposes to use an alternative allocation method for allocation of FY23 funding available within the FMA 14: COOK INLET AREA in agreement with all municipalities in this area participating in the FY23 Shared Fisheries Business Tax Program.

NOW THEREFORE BE IT RESOLVED that the Homer City Council by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2021 of fisheries business activity in FMA 14: COOK INLET AREA:

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

PASSED AND ADOPTED by the City Council of Homer, Alaska this 9th day of January 2023.

CITY OF HOMER

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KEN CASTNER, MAYOR

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MELISSA JACOBSEN, MMC, CITY CLERK

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51 Fiscal Note: Previous year's Acct. No. 400-0603-4206 and budgeted for previous years.