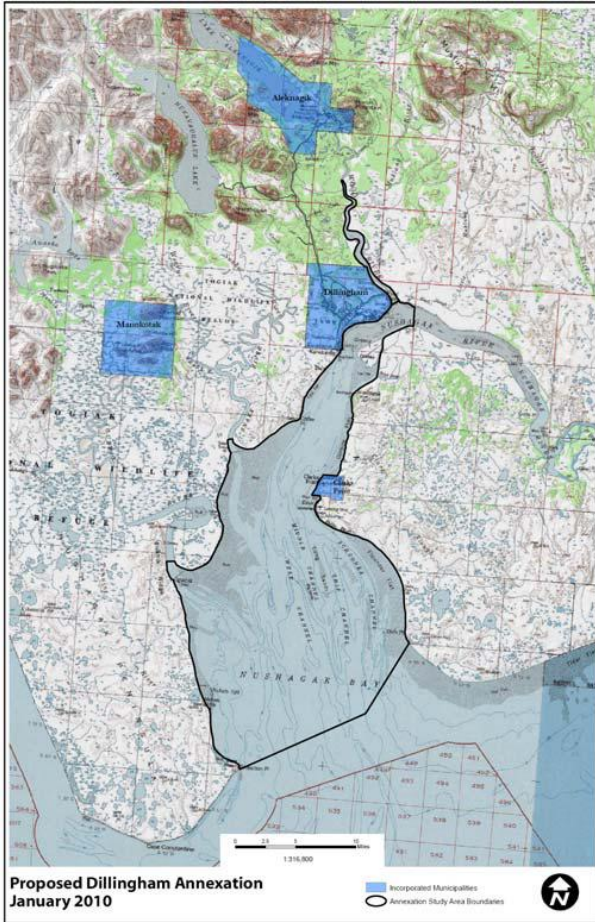


# DILLINGHAM'S PROPOSED ANNEXATION (AND LOCAL FISH TAX)

## FREQUENTLY ASKED QUESTIONS



### WHAT AREA IS THE CITY OF DILLINGHAM PROPOSING TO ANNEX?

- To annex in the commercial fishing waters of Nushagak Bay and the part of Wood River (see map to right) where the special sockeye harvest sometimes occurs.
- The proposed annexation does not include uplands; it is from high tide out (so no shore-based canneries, fish camps or other properties are included.)

### WHY IS DILLINGHAM PROPOSING THIS?

Like most places in Bristol Bay, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham's economy and integral to many residents' livelihoods and way of life.

1. This annexation will provide more revenue to the City of Dillingham to help pay for services and infrastructure that commercial fishermen and the fleet use and will help make the community more financially sustainable. It will help cover real costs that the City of Dillingham taxpayers bear to support Nushagak Bay fisheries.

2. The revenue will enable better service to Dillingham and neighboring community fishermen as well as those from outside the area that use the City's harbor, boat launches, docks and other infrastructure and services. And, it should allow some improvements that will benefit all who use these facilities.

3. This annexation will allow Dillingham to capture some revenue that is escaping the area from non-Alaskan fishermen in Nushagak Bay, and, from Nushagak Bay fish that are processed outside the Bay.

Dillingham, with its population of about 2,350 is the economic, transportation, and public service center for western Bristol Bay. Many more people than just Dillingham residents and fishermen use Dillingham's infrastructure to fish in Nushagak Bay.

YEAR 2008 Nushagak Bay Salmon Harvest		
	Number of Permits	Percent of Total Harvest
Dillingham Residents	20%	21%
Non-Alaskan Residents	38%	39%
Other Alaskans	42%	40%
	100%	100%



## WHO WILL PAY THE LOCAL FISH TAX, HOW WILL IT WORK?

- Individual fish sellers will be obligated to pay it, but it will be the responsibility of the buyer to collect and pay it (like state fish tax and all other local fish taxes in Bristol Bay).
- Local fish taxes are not new to processors or tenders; they already account for and pay on dozens of local fish taxes in Bristol Bay.
- Dillingham is proposing both a raw fish sales tax (a sale is defined to occur where the fish ticket is exchanged) and a severance tax (based on location where fish is removed or severed) from water. Seller only pays one or the other, not both! This is identical to the system in place in Lake and Peninsula Borough.
- Like what Dillingham is proposing, most Bristol Bay area local fish taxes are based on the place where the sale or harvest occurs, even if the fish is delivered or processed outside the city or borough.
- Similar to other Bristol Bay places with a local fish tax, Dillingham will have a one page form to register with the city if you buy fish that is harvested or sold in Nushagak Bay, and payments will be due either monthly or quarterly from processors.

A local raw fish tax will mean that non-Dillingham residents pay a share for the upkeep of services and facilities in Dillingham that support the fisheries. Plus, it will bring in some revenue to the area from the estimated average \$20 million dollars of Nushagak Bay salmon being caught in the bay but taken elsewhere for processing.

## SOME OF THE COSTS TO DILLINGHAM FOR SUPPORTING REGIONAL FISHERIES

In the summer Dillingham's population more than doubles with commercial and sport fishermen, seafood processing plant workers and others. Use of City-maintained harbors, docks and boat ramps swells, as does use of community maintained restrooms, the new bathhouse, trash-hauling, street and grounds maintenance, etc. Every year Dillingham uses its general operating fund money primarily collected from city property and sales taxes to help subsidize services and infrastructure that support regional fisheries. For example:

- In Fiscal year (FY) 2009, \$110,000 from the Dillingham general fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses. The cost of contributed administrative services is also paid out of the general fund.
- Year-round 10% and in the summer 20% of the calls for public safety service are from the fishery-related areas (the boat harbor, Wood River boat launch, city dock or processing plants). 10% of the City of Dillingham public safety budget in FY 10 is \$211,990.
- Six large dumpsters are installed at the harbor and city dock in the summer and generally emptied twice a day, adding about 25% to the volume of trash hauled during those months. In FY 2009, the City of Dillingham transferred \$200,000 from the general fund to subsidize the landfill.

Revenue resulting from annexation and the local fish tax will help Dillingham cover the costs above and more. It will allow Dillingham to provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc.

It will also enable some improvements to occur that will benefit all who use Dillingham's harbor related facilities.