



MEMORANDUM

DATE: January 14, 2022
TO: Finance & Budget Committee
FROM: Mark Lynch, Interim City Manager
SUBJECT: Fish Tax

I feel it is very important that Dillingham enact a fish tax as soon as possible. The quickest and simplest way to do this is as an excise tax. After discussion with the City Attorney we believe the City may be able to enact a processor tax, very similar to what Bristol Bay Borough has, but based on our code used for tobacco tax.

The total tax in Bristol Bay Borough is 4-1/2%, of which 3% is a raw fish tax and 1-1/2% is a processor tax. Dillingham cannot collect a raw fish tax, but the City can enact and collect a processor tax, modeled after the City's tobacco tax. The percentage will need to be decided by the Committee, but here are some comparables to consider.

	Bristol Bay Borough	Aleutians East Borough	Lake and Penn Borough	Total Fish Tax
	4.5%	2%	2%	4.5%
Akutan		2%		4%
Sand Point		2%		4%
King Cove		2%		4%
Chignik			1%	3%
Pilot Point			3%	5%
Egigik			3%	5%

The average local fish tax in our region is 4.2%. It seems that a Dillingham processor based tax rate of 4% would be an appropriate starting point.