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[about](#) [cruising in alaska](#) [news](#) [economy](#) [safety/environment](#) [links](#) [port schedule](#)



## Latest Legal News

- *One resident's view on how Juneau spends its head tax money*
- *Why did we file suit?*
- *CLIA Alaska files suit over \$10 million whale sculpture and artificial island*
- *Press Release: CLIA Alaska Challenges Juneau Passenger Entry Fee, Cites \$10 million Artificial Island Project as Unconstitutional*

## Documents

- [Press Release \(PDF\)](#)
- [Complaint \(PDF\)](#)
- [Plan of proposed project](#)
- [Artist's rendering of proposed project](#)

[← Back to Legal Action Section](#)

## Why did we file suit?

April 13, 2016 at 2:42 pm | [Print this Page](#)

The industry has been attempting to work with the City and Borough for many years to resolve the disagreement on how passenger entry fees can be used. It is very common for port communities to charge taxes to support the dock and other infrastructure connected to the vessel. However, Juneau is unique in that taxes are collected and used to fund government services.

Other industries such as aviation and maritime shipping have sought clarification from the courts on how the U.S. Constitutional restrictions should apply. The past cases have been instructive in defining the rights of our citizens to travel freely among the states and conduct interstate commerce.

The cruise industry believes the City and Borough of Juneau is utilizing passenger entry fees beyond the legal boundaries. This is most evident with the \$10 million artificial island, whale sculpture base and bridge park project. We do not know what the total cost of the final project will be; however, we anticipate it will be significantly higher than the currently reported figures.

The industry has basically reached an impasse with the City and Borough of Juneau on how taxes are utilized. The CBJ has come to a different legal interpretation. The industry filed the litigation now because we see the costs continuing to get higher and higher and the projects further and further from the vessels (and legal limits).

The industry is not arguing that our guests should not pay taxes. Estimates of sales taxes raised by visitors are nearly \$8 million a year which support all local services including schools, police, fire, etc. The litigation is about the use of a specific tax, the \$8 local entry fee tax, each passenger pays to visit Juneau. The Constitution and federal law carve out a very narrow exception for the collection and use of those type of taxes.

Allowing the disagreement to turn into a significant issue between the cruise lines and the community is not helpful for the local economy and those businesses who rely on cruise passengers. Currently, the industry is very pleased with the quality of experience our passengers have in Juneau and the extra effort the residents of Juneau make to ensure our guests have the “trip of a lifetime” they anticipate. We strongly believe the best path forward is to address the issue now, seek court guidance so both the industry and the community understand the rules, and can work cooperatively to ensure Juneau remains a world class destination.

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