

Ordinance 12-53(S) Reinstating on a Year-Round Basis the City of Homer Sales Tax Imposed on Sales of Non Prepared Foods

Ordinance ID: 12-53(S)

Ordinance Status: Failed

Ordinance Summary:

An Ordinance of the Homer City Council, Amending HCC 9.16.010(A) and HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100 Reinstating on a Year-Round Basis the City of Homer Sales Tax Imposed on Sales of Non Prepared Foods. Zak.

CITY OF HOMER
HOMER, ALASKA
Zak
ORDINANCE 12-53(S)

AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING HCC 9.16.010(A) AND HCC 9.16.040, AND REPEALING AND REENACTING HCC 9.16.100 REINSTATING ON A YEAR-ROUND BASIS THE CITY OF HOMER SALES TAX IMPOSED ON SALES OF NONPREPARED FOODS.

WHEREAS, A proposition was passed by the voters in the Kenai Peninsula Borough ("Borough") exempting nonprepared foods from sales tax from September 1st through May 31st; and

WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the Borough, including the City of Homer ("City"), to continue taxing nonprepared foods during the period from September 1st through May 31st despite the Borough's exemption of such foods from sales tax during those months; and

WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting the sales of nonprepared foods from City sales tax during September 1st through May 31st of each year; and

WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a substantial negative impact on funding for essential City services including but not limited to water, sewer, and road project matching funds and has required the almost complete elimination of all non-essential City services; and

WHEREAS, It is in the City's best interest to reinstate the sales tax on nonprepared foods at the full 4.5% rate on a year-round basis to provide funding for City services.

THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City of Homer exercises the authority granted it under Kenai Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on nonprepared food items on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.

Section 2. Section 9.16.010(a) of the Homer City Code is hereby amended to read as follows:

9.16.010 Levied. a. A consumer's sales tax in the amount of three percent is levied by the City on all sales, rents and services within the City except as the same may be otherwise exempted by law. provided that the rate of sales tax on nonprepared food items shall be 1.5% during the period from September 1 through May 31. This reduced tax rate imposed on nonprepared foods items shall no longer be effective if the Borough's exemption of nonprepared foods from its sales tax is repealed or overturned. As used in this subsection, the term "nonprepared foods" shall have the meaning ascribed to that term in Chapter 5.18 of the Kenai Peninsula Borough Code, as the same may be amended from time to time.

Section 3. Section 9.16.040 of the Homer City Code is hereby amended to read as follows:

9.16.040 Borough Provisions Adopted by Reference. Except for provisions regarding exemption from sales tax,

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which are addressed in Section 9.16.100 of this chapter, Tthose sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy and collection of the sales tax described in this chapter are incorporated by this reference and made a part of this chapter as though fully set forth in this chapter.

Section 4. Section 9.16.100 of the Homer City Code is hereby repealed and reenacted to read as follows:

9.16.100 Exemptions. Except for sales of nonprepared food items, all sales, rentals, and services that are exempted from sales tax under the Kenai Peninsula Borough Code as amended from time to time shall be exempt from the sales tax levied under Section 9.16.010 of this chapter.

Section 5. This ordinance is of a permanent and general character and shall be included in the city code.

Section 6. This ordinance shall take effect March January 1, 2013.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of _____, 2012.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:
NOES:
ABSTAIN:
ABSENT:

First Reading:
Public Reading:
Second Reading:
Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager Thomas F. Klinkner, City Attorney

Date: _____ Date: _____

Ordinance Dates**Ordinance Introduction Date:** Mon Nov 26th, 2012

Ordinance Public Hearing Date: Mon Dec 10th, 2012

Second Public Hearing: Mon Dec 10th, 2012

Ordinance Second Reading Date: Mon Dec 10th, 2012

Ordinance Files  [Ordinance 12-53\(S\)](#)

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