

1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

Zak

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4 **ORDINANCE 12-53(S)**

5  
6 AN ORDINANCE OF THE HOMER CITY COUNCIL,  
7 AMENDING HCC 9.16.010(A) AND HCC 9.16.040, AND  
8 REPEALING AND REENACTING HCC 9.16.100  
9 REINSTATING ON A YEAR-ROUND BASIS THE CITY OF  
10 HOMER SALES TAX IMPOSED ON SALES OF  
11 NONPREPARED FOODS.  
12

13 WHEREAS, A proposition was passed by the voters in the Kenai Peninsula Borough  
14 (“Borough”) exempting nonprepared foods from sales tax from September 1<sup>st</sup> through May 31<sup>st</sup>;  
15 and  
16

17 WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the  
18 Borough, including the City of Homer (“City”), to continue taxing nonprepared foods during the  
19 period from September 1<sup>st</sup> through May 31<sup>st</sup> despite the Borough’s exemption of such foods from  
20 sales tax during those months; and  
21

22 WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting  
23 the sales of nonprepared foods from City sales tax during September 1<sup>st</sup> through May 31<sup>st</sup> of each  
24 year; and  
25

26 WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a  
27 substantial negative impact on funding for essential City services including but not limited to  
28 water, sewer, and road project matching funds and has required the almost complete elimination  
29 of all non-essential City services; and  
30

31 WHEREAS, It is in the City’s best interest to reinstate the sales tax on nonprepared foods  
32 at the full 4.5% rate on a year-round basis to provide funding for City services.  
33

34 **THE CITY OF HOMER HEREBY ORDAINS:**  
35

36 Section 1. The City of Homer exercises the authority granted it under Kenai  
37 Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on nonprepared food items  
38 on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.  
39

40 Section 2. Section 9.16.010(a) of the Homer City Code is hereby amended to read as  
41 follows:  
42

43 9.16.010 Levied. a. A consumer’s sales tax in the amount of three percent is  
44 levied by the City on all sales, rents and services within the City except as the  
45 same may be otherwise exempted by law. ~~provided that the rate of sales tax on~~  
46 ~~nonprepared food items shall be 1.5% during the period from September 1~~

47 ~~through May 31. This reduced tax rate imposed on nonprepared foods items shall~~  
48 ~~no longer be effective if the Borough's exemption of nonprepared foods from its~~  
49 ~~sales tax is repealed or overturned. As used in this subsection, the term~~  
50 ~~"nonprepared foods" shall have the meaning ascribed to that term in Chapter 5.18~~  
51 ~~of the Kenai Peninsula Borough Code, as the same may be amended from time to~~  
52 ~~time.~~

53  
54 Section 3. Section 9.16.040 of the Homer City Code is hereby amended to read as  
55 follows:

56  
57 9.16.040 Borough Provisions Adopted by Reference. Except for provisions  
58 regarding exemption from sales tax, which are addressed in Section 9.16.100 of  
59 this chapter, Those sections of the Kenai Peninsula Borough Code of Ordinances  
60 applicable to the levy and collection of the sales tax described in this chapter are  
61 incorporated by this reference and made a part of this chapter as though fully set  
62 forth in this chapter.

63  
64 Section 4. Section 9.16.100 of the Homer City Code is hereby repealed and reenacted  
65 to read as follows:

66  
67 9.16.100 Exemptions. Except for sales of nonprepared food items, all  
68 sales, rentals, and services that are exempted from sales tax under the Kenai  
69 Peninsula Borough Code as amended from time to time shall be exempt from the  
70 sales tax levied under Section 9.16.010 of this chapter.

71  
72 Section 5. This ordinance is of a permanent and general character and shall be  
73 included in the city code.

74  
75 Section 6. This ordinance shall take effect ~~March~~ January 1, 2013.

76  
77  
78 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this  
79 \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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81  
82  
83 CITY OF HOMER

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86 \_\_\_\_\_  
87 MARY E. WYTHE, MAYOR  
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92

93 ATTEST:

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95

96

97 \_\_\_\_\_  
JO JOHNSON, CMC, CITY CLERK

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99

100 AYES:

101 NOES:

102 ABSTAIN:

103 ABSENT:

104

105 First Reading:

106 Public Reading:

107 Second Reading:

108 Effective Date:

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111 Reviewed and approved as to form:

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113

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115 \_\_\_\_\_  
Walt Wrede, City Manager

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117 Date: \_\_\_\_\_

118

\_\_\_\_\_  
Thomas F. Klinkner, City Attorney

Date: \_\_\_\_\_