

Filed
9/27/10

**CITY OF HOMER
HOMER, ALASKA**

Lewis

ORDINANCE 10-46

1
2 AN ORDINANCE REINSTATING ON A YEAR-ROUND
3 BASIS THE CITY OF HOMER SALES TAX IMPOSED ON
4 SALES OF NONPREPARED FOODS.
5

6 WHEREAS, A proposition was passed by the voters in the Kenai Peninsula Borough
7 (“Borough”) exempting nonprepared foods from sales tax from September 1st through May 31st;
8 and
9

10 WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the
11 Borough, including the City of Homer (“City”), to continue taxing nonprepared foods during the
12 period from September 1st through May 31st despite the Borough’s exemption of such foods from
13 sales tax during those months; and
14

15 WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting
16 the sales of nonprepared food items from City sales tax during September 1st through May 31st of
17 each year; and
18

19 WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a
20 substantial negative impact on funding for essential City services including but not limited to
21 water, sewer, and road project matching funds and has required the almost complete elimination
22 of all non-essential City services; and
23

24 WHEREAS, It is in the City’s best interest to reinstate the sales tax on nonprepared foods
25 at the full 4.5% rate on a year-round basis to provide funding for City services.
26

27 THE CITY OF HOMER HEREBY ORDAINS:
28

29 Section 1. The City of Homer exercises the authority granted it under Kenai
30 Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on nonprepared food items
31 on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.
32

33 Section 2. Section 9.16.010(a) of the Homer City Code is hereby amended to read as
34 follows:
35

36 9.16.010 Levied. a. A consumer’s sales tax in the amount of three percent is
37 levied by the City on all sales, rents and services within the City except as the
38 same may be otherwise exempted by law. ~~provided that the rate of sales tax on~~
39 ~~nonprepared food items shall be 1.5% during the period from September 1~~
40 ~~through May 31. This reduced tax rate imposed on nonprepared foods items shall~~
41 ~~no longer be effective if the Borough’s exemption of nonprepared foods from its~~
42 ~~sales tax is repealed or overturned. As used in this subsection, the term~~

43 “nonprepared foods” shall have the meaning ascribed to that term in Chapter 5-18
44 of the Kenai Peninsula Borough Code, as the same may be amended from time to
45 time.
46

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

49
50 9.16.040 Borough Provisions Adopted by Reference. Except for provisions
51 regarding exemption from sales tax, which are addressed in Section 9.16.100 of
52 this chapter, Those sections of the Kenai Peninsula Borough Code of Ordinances
53 applicable to the levy and collection of the sales tax described in this chapter are
54 incorporated by this reference and made a part of this chapter as though fully set
55 forth in this chapter.
56

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

59
60 9.16.100 Exemptions. Except for sales of nonprepared food items, all
61 sales, rentals, and services that are exempted from sales tax under the Kenai
62 Peninsula Borough Code as amended from time to time shall be exempt from the
63 sales tax levied under Section 9.16.010 of this chapter.
64

65 Section 5. This ordinance is of a permanent and general character and shall be
66 included in the city code.
67

68 Section 6. This ordinance shall take effect January 1, 2011.
69
70

71 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this
72 day of _____, 2010.
73

74
75 CITY OF HOMER

76
77
78 _____
79 JAMES C. HORNADAY, MAYOR

80 ATTEST:

81
82 _____
83 JO JOHNSON, CMC, CITY CLERK
84

85 AYES: 2

86 NOES: 4

87 ABSTAIN: 0

88 ABSENT: 0

89 First Reading:
90 Public Reading:
91 Second Reading:
92 Effective Date:

93
94

95 Reviewed and approved as to form:

96
97

98

99 Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

100

101 Date: _____

Date: _____