

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

3 Burgess

4 **ORDINANCE 14-03**

5
6 AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING HCC
7 9.16.040, AND REPEALING AND REENACTING HCC 9.16.100, TO
8 REPEAL THE EXEMPTION FROM CITY SALES TAX OF SALES OF
9 NONPREPARED FOODS FROM SEPTEMBER 1ST THROUGH
10 MAY 31ST; AMENDING HCC 9.16.010 TO DEDICATE A SALES TAX OF
11 ONE-QUARTER PERCENT (.25%) TO FUND A PARKS AND
12 RECREATION DEPARTMENT; AND SUBMITTING THE QUESTION
13 OF REPEALING SUCH SALES TAX EXEMPTION AND SUCH SALES
14 TAX DEDICATION TO THE QUALIFIED VOTERS OF THE CITY AT
15 THE OCTOBER 7, 2014 REGULAR CITY ELECTION.
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17 WHEREAS, The voters of the Kenai Peninsula Borough (“Borough”) approved Initiative
18 Ordinance 2008-01 exempting sales of nonprepared foods from Borough sales tax from
19 September 1st through May 31st; and
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21 WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the
22 Borough, including the City of Homer (“City”), to continue taxing sales of nonprepared foods
23 during the period from September 1st through May 31st despite the exemption of sales of
24 nonprepared foods from Borough sales tax during those months; and
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26 WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting
27 sales of nonprepared foods from City sales tax from September 1st through May 31st of each
28 year; and
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30 WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a
31 substantial negative impact on funding for essential City services and has required the almost
32 complete elimination of all non-essential City services; and
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34 WHEREAS, It is in the best interest of the City and its residents to reinstate the sales
35 tax on nonprepared foods at the full 4.5% rate on a year-round basis to provide funding for
36 City services, and to dedicate .25% of the City sales tax to fund a parks and recreation
37 department.
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39 NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:
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41 Section 1. The City of Homer exercises the authority granted it under Kenai
42 Peninsula Borough Ordinance 2008-28 to levy and collect a sales tax on nonprepared food

[Bold and underlined added. Deleted language stricken through.]

43 items on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance
44 2008-01.

45 Section 2. Homer City Code 9.16.010 is amended to read as follows:

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47 9.16.010 Levied. a. A consumer's sales tax in the amount of two and three-quarters
48 percent (2.75%) is levied by the City on all sales, rents and services within the City except as
49 the same may be otherwise exempted by law.

50 b. An additional consumer's sales tax in the amount of three-quarters percent (3/4%)
51 is hereby levied by the City of Homer on all sales, rents and services within the City except the
52 same may be otherwise exempted by law, for the purpose of funding debt retirement of the
53 sewer treatment plant improvements, and to the extent revenues from such tax exceed such
54 debt retirement obligations, for the purpose of funding water and sewer systems.

55 c. An additional consumer's sales tax in the amount of three-quarters percent (3/4%)
56 is hereby levied by the City of Homer on all sales, rents and services within the City except the
57 same may be otherwise exempted by law, for the purpose of funding of street reconstruction
58 improvements and related utilities, construction of new local roads, and construction of new
59 local trails.

60 **d. An additional consumer's sales tax in the amount of one-quarter percent**
61 **(.25%) is hereby levied by the City of Homer on all sales, rents and services within the**
62 **City except the same may be otherwise exempted by law, for the purpose of funding of a**
63 **parks and recreation department.**

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65 Section 3. Homer City Code 9.16.040 is amended to read as follows:

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67 9.16.040 Borough Provisions Adopted by Reference. **Except for provisions regarding**
68 **exemption from sales tax, which are addressed in Section 9.16.100 of this chapter,**
69 ~~Those~~ sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy
70 and collection of the sales tax described in this chapter are incorporated by this reference
71 and made a part of this chapter as though fully set forth in this chapter.

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

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75 9.16.100 Exemptions. a. Except as provided in (b) of this section, all sales, rentals, and
76 services that are exempted from sales tax under the Kenai Peninsula Borough Code as
77 amended from time to time shall be exempt from the sales tax levied by HCC 9.16.010.

78 b. Notwithstanding their exemption from Kenai Peninsula Borough sales tax, the
79 following sales are subject to the sales tax levied by HCC 9.16.010:

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1. Sales of nonprepared food items.

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82 2. Sales exempted from Kenai Peninsula Borough sales tax that the Kenai
83 Peninsula Borough by ordinance expressly authorizes the city to tax, and on which the city
imposes a sales tax.

84 Section 5. The City shall submit the following proposition to the qualified voters of
85 the City at the October 7, 2014, regular City election. The proposition must receive an
86 affirmative vote from a majority of the qualified voters voting on the question to be
87 approved.

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PROPOSITION NO. ____
REPEAL OF SALES TAX EXEMPTION FOR NONPREPARED FOODS, AND
DEDICATION OF .25% SALES TAX TO FUND A CITY PARKS AND RECREATION
DEPARTMENT

Shall the exemption from City of Homer tax of sales of nonprepared food items at from September 1 through May 31 be repealed, and shall one-quarter percent (.25%) of the City sales tax be dedicated to fund a parks and recreation department?

Section 6. The proposition shall be printed on paper ballots and machine ballots, and the following words shall be added as appropriate next to an oval provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. ____

 Yes

 No

Section 7. Sections 2, 3 and 4 of this ordinance are of a permanent and general character and shall be included in the city code.

Section 8. Sections 1 through 4 and 7 of this ordinance shall become effective on January 1, 2015, but only if the proposition described in Section 5 is approved by a majority of the qualified voters voting on the proposition at the October 7, 2014, regular City election. The remaining sections of this ordinance shall become effective upon adoption.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of _____, 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

126 ATTEST:

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130 JO JOHNSON, MMC, CITY CLERK

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133 AYES:

134 NOES:

135 ABSTAIN:

136 ABSENT:

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138 First Reading:

139 Public Reading:

140 Second Reading:

141 Effective Date:

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144 Reviewed and approved as to form:

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147 _____

148 Walt Wrede, City Manager

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150 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____