

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

3 Lewis

4 **ORDINANCE 14-02**

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.

11
12 WHEREAS, The voters of the Kenai Peninsula Borough (“Borough”) approved Initiative
13 Ordinance 2008-01 exempting sales of nonprepared foods from Borough sales tax from
14 September 1st through May 31st; and

15
16 WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the
17 Borough, including the City of Homer (“City”), to continue taxing sales of nonprepared foods
18 during the period from September 1st through May 31st despite the exemption of sales of
19 nonprepared foods from Borough sales tax during those months; and

20
21 WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting
22 sales of nonprepared foods from City sales tax from September 1st through May 31st of each
23 year; and

24
25 WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a
26 substantial negative impact on funding for essential City services and has required the almost
27 complete elimination of all non-essential City services; and

28
29 WHEREAS, It is in the best interest of the City and its residents to reinstate the sales
30 tax on nonprepared foods at the full 4.5% rate on a year-round basis to provide funding for
31 City services.

32
33 THE CITY OF HOMER HEREBY ORDAINS:

34
35 Section 1. The City of Homer exercises the authority granted it under Kenai
36 Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on nonprepared food
37 items on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance
38 2008-01.

39
40 Section 2. Homer City Code 9.16.040 is amended to read as follows:

41
42 9.16.040 Borough Provisions Adopted by Reference. **Except for provisions regarding**

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

43 **exemption from sales tax, which are addressed in Section 9.16.100 of this chapter,**
44 ~~Those~~ sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy
45 and collection of the sales tax described in this chapter are incorporated by this reference
46 and made a part of this chapter as though fully set forth in this chapter.

47
48 Section 3. Homer City Code 9.16.100 is repealed and reenacted to read as follows:

49
50 9.16.100 Exemptions. a. Except as provided in (b) of this section, all sales, rentals, and
51 services that are exempted from sales tax under the Kenai Peninsula Borough Code as
52 amended from time to time shall be exempt from the sales tax levied by HCC 9.16.010.

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

55 1. Sales of nonprepared food items.

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

59
60 Section 4. This ordinance is of a permanent and general character and shall be
61 included in the city code.

62
63 Section 5. This ordinance shall take effect April 1, 2014.

64
65 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of
66 _____, 2014.

67
68 CITY OF HOMER

69
70
71 _____
72 MARY E. WYTHER, MAYOR

73
74 ATTEST:

75
76
77 _____
78 JO JOHNSON, MMC, CITY CLERK

79
80
81 AYES:

82 NOES:

83 ABSTAIN:

84 ABSENT:

85 First Reading:
86 Public Reading:
87 Second Reading:
88 Effective Date:

89
90
91

92 Reviewed and approved as to form:

93
94 _____

95 Walt Wrede, City Manager

96

97 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____