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**CITY OF HOMER  
HOMER, ALASKA**

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**ORDINANCE 15-19(A-2)**

6 AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING  
7 HOMER CITY CODE CHAPTER 9.16 TO REVISE HCC 9.16.040, HCC  
8 9.16.100, AND ADD HCC 9.16.110 REPEALING THE SEASONAL  
9 SALES TAX EXEMPTION AS APPLIED TO CERTAIN CATEGORIES OF  
10 NONPREPARED FOODS, INCLUDING BUT NOT LIMITED TO  
11 CAKES, COOKIES, ICE CREAM, CANDY, AND CHIPS, AND DEFINING  
12 THESE ITEMS AS PREPARED FOODS.

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

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

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

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

32 WHEREAS, It is in the City’s best interest to reinstate the sales tax at the full 4.5% rate  
33 on a year-round basis on the categories of foods described in Homer City Code 9.16.100(c),  
34 enacted by this ordinance, to provide funding for City services.

36 THE CITY OF HOMER HEREBY ORDAINS:

38 Section 1. The City of Homer exercises the authority granted it under Kenai  
39 Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on the food items  
40 described in Homer City Code 9.16.100(c), enacted by this ordinance, on a year-round basis  
41 notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.  
42

43            Section 2.      Homer City Code 9.16.040 is amended to read as follows:  
44

45            9.16.040 Borough Provisions Adopted by Reference. Subject to Section 9.16.100 and  
46 9.16.110, those sections of the Kenai Peninsula Borough Code of Ordinances applicable to the  
47 levy and collection of the sales tax described in this chapter are incorporated by this  
48 reference and made a part of this chapter as though fully set forth in this chapter.  
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50            Section 3.      Homer City Code 9.16.100 is amended to read as follows:  
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52            9.16.100 Exemptions.  
53

54            The following sales of items are exempt from sales tax:  
55

56                    a. Except as provided in section 9.16.110 of the city code, sales of nonprepared  
57 food items occurring from September 1st through May 31st of each year.  
58

59                    b. The sale of all other items granted exemption from sales tax under the Kenai  
60 Peninsula Borough Code as amended from time to time, except where the Kenai  
61 Peninsula Borough by ordinance expressly authorizes the City to tax a source  
62 exempted from sales tax by the Kenai Peninsula Borough Code and City imposes a  
63 sales tax on that source in compliance with the law.  
64

65            Section 4. Homer City Code Chapter 9.16 is amended to add section 9.16.110 to read  
66 as follows:  
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68            9.16.110 Sales Tax  
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70            Sales of the following prepared food products shall be subject to sales tax 365 days a  
71 year:  
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73                    a. beverages containing less than 50% fruit or vegetable juice, including soft  
74 drinks, energy drinks and sports drinks, but excluding dairy and dairy substitute  
75 beverages;  
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77                    b. candy;  
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79                    c. potato and corn chips, pretzels, crackers and other ready-to-eat snack foods;  
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81                    d. ready-to-eat baked products, including cookies, cake, donuts, danish, and  
82 muffins, but excluding bread;  
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84                    e. ice cream, sherbet and other frozen desserts;

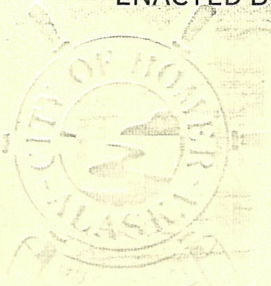
85 f. prepackaged or made-to-order sandwiches, wraps and salads.

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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 January 1, 2016.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 27<sup>th</sup> day of July, 2015.



CITY OF HOMER

*Mary E. Wythe*  
MARY E. WYTHE, MAYOR

ATTEST:

*Jo Johnson*  
JO JOHNSON, MMC, CITY CLERK

YES: 5  
NO: 1  
ABSTAIN: 0  
ABSENT: 0

First Reading: 6/15/15  
Public Hearing: 6/29/15 - Reconsidered  
Second Reading: 7/27/15  
Effective Date: 1/01/16

Reviewed and approved as to form:

*Mary K. Koester*  
Mary K. Koester, City Manager

*Thomas F. Klinkner*  
Thomas F. Klinkner, City Attorney

Date: 7.31.15

Date: 8-4-15