1 2 3	CITY OF HOMER HOMER, ALASKA Lewis
4	ORDINANCE 12-54(S)
5 6 7 8 9 10 11	AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING HCC 9.16.040 AND HCC 9.16.100 TO MAKE CERTAIN CATEGORIES OF NONPREPARED FOODS SUBJECT TO THE CITY OF HOMER SALES TAX ON A YEAR-ROUND BASIS.
12 13 14 15	WHEREAS, A proposition was passed by the voters in the Kenai Peninsula Borough ("Borough") exempting nonprepared foods from sales tax from September 1 st through May 31 st ; and
16 17 18 19 20	WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the Borough, including the City of Homer ("City"), to continue taxing nonprepared foods during the period from September 1 st through May 31 st despite the Borough's exemption of such foods from sales tax during those months; and
21 22 23 24	WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting the sales of nonprepared foods from City sales tax during September 1 st through May 31 st of each year; and
25 26 27 28 29	WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a substantial negative impact on funding for essential City services including but not limited to water, sewer, and road project matching funds and has required the almost complete elimination of all non-essential City services; and
30 31 32 33	WHEREAS, It is in the City's best interest to reinstate the sales tax at the full 4.5% rate on a year-round basis on the categories of nonprepared foods described in Homer City Code 9.16.100(c), enacted by this ordinance, to provide funding for City services.
34 35	THE CITY OF HOMER HEREBY ORDAINS:
36 37 38 39 40	Section 1. The City of Homer exercises the authority granted it under Kenai Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on the nonprepared food items described in Homer City Code 9.16.100(c), enacted by this ordinance, on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.
40 41 42	Section 2. Homer City Code 9.16.040 is amended to read as follows:
42 43 44 45 46	9.16.040 <u>Borough Provisions Adopted by Reference</u> . <u>Subject to Section 9.16.100</u> , Those sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy and collection of the sales tax described in this chapter are incorporated by this reference and made a part of this chapter as though fully set forth in this chapter.

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	<u>Section 3.</u> Homer City Code 9.16.100 is amended to read as follows:		
	0.16.100 Evenutions of Commencing January 1.2000 selector agreement food items		
	9.16.100 Exemptions. a. Commencing January 1, 2009, sales of nonprepared food items		
	from September 1st through May 31st of each year, <u>subject to subsection c</u> . b. All other items granted exemption from sales tax under the Kenai Peninsula Borough		
Code as amended from time to time, except where the Kenai Peninsula Borough by ordinance			
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expressly authorizes the city to tax a source exempted from sales tax by the Kenai Peninsula Borough Code and city imposes a sales tax on that source in compliance with the law.			
c. Sales of the following products are not exempt from sales tax under subsection:			
	at any time:		
1. beverages containing less than 50% fruit or vegetable juice, including sof			
drinks, energy drinks and sports drinks, but excluding dairy and dairy substitute			
beverages.			
2. candy.			
3. potato and corn chips, pretzels, crackers and other ready-to-eat snack			
foods.			
4. ready-to-eat baked products, including cookies, cake, donuts, danish, and			
muffins, but excluding bread.			
	5. ice cream, sherbet and other frozen desserts.		
	6. frozen foods that are ready to eat upon heating in a conventional or		
	microwave oven, including entrees, dinners, pizza and burritos, but excluding		
	frozen fruits and vegetables.		
	7. prepackaged or made-to-order sandwiches, wraps and salads.		
	Section 4. This ordinance is of a permanent and general character and shall be		
	included in the city code.		
	Section 5. This ordinance shall take effect March January 1, 2013.		
	<u>Section 5.</u> This ordinance shall take effect Eviation January 1, 2015.		
ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA,			
	day of		
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	CITY OF HOMER		
	MARY E. WYTHE, MAYOR		
	ATTEST:		
	JO JOHNSON, CMC, CITY CLERK		

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93	AYES:	
94	NOES:	
95	ABSTAIN:	
96	ABSENT:	
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99	First Reading:	
100	Public Reading:	
101	Second Reading:	
102	Effective Date:	
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105	Reviewed and approved as to form:	
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109 110	Walt Wrede, City Manager	Thomas F. Klinkner, City Attorney
111	Date:	Date: