

Failed 1/14/13

CITY OF HOMER
HOMER, ALASKA

Zak

ORDINANCE 12-53(S)

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AN ORDINANCE OF THE HOMER CITY COUNCIL,
AMENDING HCC 9.16.010(A) AND HCC 9.16.040, AND
REPEALING AND REENACTING HCC 9.16.100
REINSTATING ON A YEAR-ROUND BASIS THE CITY OF
HOMER SALES TAX IMPOSED ON SALES OF
NONPREPARED FOODS.

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

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 1st through May 31st despite the Borough's exemption of such foods from
sales tax during those months; and

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 1st through May 31st of each
year; and

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

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

THE CITY OF HOMER HEREBY ORDAINS:

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

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

9.16.010 Levied. a. A consumer's sales tax in the amount of three percent is
levied by the City on all sales, rents and services within the City except as the
same may be otherwise exempted by law. ~~provided that the rate of sales tax on
nonprepared food items shall be 1.5% during the period from September 1~~

47 through May 31. This reduced tax rate imposed on nonprepared foods items shall
48 no longer be effective if the Borough's exemption of nonprepared foods from its
49 sales tax is repealed or overturned. As used in this subsection, the term
50 "nonprepared foods" shall have the meaning ascribed to that term in Chapter 5.18
51 of the Kenai Peninsula Borough Code, as the same may be amended from time to
52 time.

53
54 Section 3. Section 9.16.040 of the Homer City Code is hereby amended to read as
55 follows:

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57 9.16.040 Borough Provisions Adopted by Reference. Except for provisions
58 regarding exemption from sales tax, which are addressed in Section 9.16.100 of
59 this chapter, Those sections of the Kenai Peninsula Borough Code of Ordinances
60 applicable to the levy and collection of the sales tax described in this chapter are
61 incorporated by this reference and made a part of this chapter as though fully set
62 forth in this chapter.

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

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67 9.16.100 Exemptions. Except for sales of nonprepared food items, all
68 sales, rentals, and services that are exempted from sales tax under the Kenai
69 Peninsula Borough Code as amended from time to time shall be exempt from the
70 sales tax levied under Section 9.16.010 of this chapter.

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72 Section 5. This ordinance is of a permanent and general character and shall be
73 included in the city code.

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75 Section 6. This ordinance shall take effect ~~March~~ January 1, 2013.

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78 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this
79 day of _____, 2012.

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83 CITY OF HOMER

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86 _____
87 MARY E. WYTHE, MAYOR
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93 ATTEST:

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97 JO JOHNSON, CMC, CITY CLERK

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99

100 AYES:

101 NOES:

102 ABSTAIN:

103 ABSENT:

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105 First Reading:

106 Public Reading:

107 Second Reading:

108 Effective Date:

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111 Reviewed and approved as to form:

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113

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115 Walt Wrede, City Manager

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117 Date: _____

118

Thomas F. Klinkner, City Attorney

Date: _____