

Kenai Peninsula Borough  
Office of the Borough Mayor

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**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Charlie Pierce, Borough Mayor *cp*

**DATE:** June 27, 2019

**RE:** Veto of Ordinance 2019-09 Which Levies a 10 Percent Tax on Temporary Lodging and Camping Facilities and Allows Cities that Levy a Similar Tax of Temporary Lodging to Exempt up to One-Half of this Borough Tax

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For the reasons discussed below, I hereby veto ordinance 2019-09, which levies an areawide temporary lodging tax, or "bed tax," with an exemption allowed for similar taxes charged in cities of up to one-half of the borough bed tax, subject to voter approval.

1. I do not support a dedicated or targeted tax on specific activities and/or services. As we consider and deliberate revenue options if needed, broad-based taxing options should be given priority over targeted options.
2. Ballot opportunities are limited, and having too many taxing proposals on a ballot creates confusion and ultimate defeat at the polls. Additional propositions for this ballot are scheduled for assembly consideration.
3. This taxing option is not equitable, and the majority of those who testified at the assembly meetings strongly stated we already have a bed tax. I believe we do by taxing beds per person per day.
4. It should be left to the individual cities to determine if a bed tax is desirable. This tax strongly pressures the cities to levy their own bed tax to keep those revenues.
5. The concept that "everyone else taxes beds", so therefore we should too, is a deterrent in the marketing efforts to attract visitors.

AS 29.20.270 provides that a veto may be overridden within 21 days following the exercise of the veto or during the next regular meeting, whichever is later. The next regular meeting is July 2, 2019 and 21 days after the date of this veto is July 19, 2019.