

KENAI PENINSULA BOROUGH

Kenai Peninsula Borough Assembly

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Kelly Cooper, Assembly President
Wayne Ogle, Vice President

MEMORANDUM

TO: Kelly Cooper, Assembly President
Kenai Peninsula Borough Assembly Members

FROM: Kelly Cooper, Assembly President *(B) for K.L.*
Dale Bagley, Assembly Member *DLB*
Brandii Holmdahl, Assembly Member *(B) for B.H.*

DATE: November 9, 2016

RE: Ordinance 2016-39 Amending the Effective Date of Amendments in Ordinance 2016-31, Relating to Sales Taxes on Non-Prepared Food by Certain Sellers in KP.B 5.18.200(A)(15)(d) and Relating to Sales Taxes on Certain Nonprofit Sales in KP.B 5.18.200(A)(20) (Cooper, Bagley & Holmdahl)

In ordinance 2016-31, the assembly enacted changes to the Kenai Peninsula Borough ("borough") sales tax code, including changes which resulted in the imposition of a sales tax on sales of non-prepared food items by sellers not authorized to participate in the federal food stamp program (KP.B 5.18.200(A)(15)(d)) and on certain nonprofit sales (KP.B 5.18.200(A)(20)). Ordinance 2016-31 takes effect on January 1, 2017. Since its enactment comments received from numerous affected organizations and businesses have raised concerns that these provisions will create broader issues than anticipated.

This ordinance would postpone the effective date of these two provisions in ordinance 2016-31 from January 1 to April 1, 2017. Changing the effective date to April 1, 2017, will give nonprofits and sellers of non-prepared foods additional time to discuss and potentially resolve concerns regarding these changes with their assembly representatives and the borough administration.

Lastly, we request this ordinance be heard on shortened time because the changes are scheduled to take effect on January 1, 2017, which is before the assembly would have an opportunity to vote on this ordinance if it were not heard on shortened time.