

KENAI PENINSULA BOROUGH

Kenai Peninsula Borough Assembly

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Kelly Cooper, Assembly President
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MEMORANDUM

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

FROM: Dale Bagley, Assembly Member *DLB*

DATE: August 11, 2017

SUBJECT: Amendment to Ordinance 2017-17, Amending KPB Chapter 5.18 to Establish an 6 Percent Areawide Sales Tax on Temporary Lodging and Providing for an Exemption of Up to 3 Percent of the Levy on Temporary Lodging within the Boundaries of Cities in the Borough that Levy a Similar Sales Tax in Addition to an Existing General Sales Tax, Subject to Approval by the Voters in the Regular Election on October 3, 2017 (Mayor)

I would like to amend this ordinance to include overnight stays at RV parks and other camping facilities. This would provide additional revenue from visitors who are less likely to use other commercial services in the borough, such as car rentals and restaurants, than those who stay in temporary lodging facilities.

Please note that the **bold and underlined** language is new and the ~~**bolded and crossed out**~~ language is to be deleted.

- Amend the ordinance title, as follows:

AN ORDINANCE AMENDING KPB CHAPTER 5.18 TO ESTABLISH A 6 PERCENT AREAWIDE SALES TAX ON TEMPORARY LODGING **AND OVERNIGHT CAMPING FACILITIES AND** PROVIDING FOR AN EXEMPTION OF UP TO 3 PERCENT OF THE LEVY ON TEMPORARY LODGING **AND OVERNIGHT CAMPING** WITHIN THE BOUNDARIES OF CITIES IN THE BOROUGH THAT LEVY A SIMILAR SALES TAX IN ADDITION TO AN EXISTING GENERAL SALES TAX, SUBJECT TO APPROVAL BY THE VOTERS IN THE REGULAR ELECTION ON OCTOBER, 3, 2017

- Amend the sixth whereas clause, as follows:

WHEREAS, while the revenue generated from this additional sales tax on temporary lodging **and overnight camping facilities** would be used for educational purposes, it would make other borough revenues available to offset these visitor costs; and

Amend the seventh whereas clause, as follows:

WHEREAS, to enable the cities to levy a similar tax and allow the tax to apply evenly throughout the borough, the ordinance exempts from the borough's 6 percent temporary lodging **and overnight camping facilities** tax any similar additional city tax up to 3 percent so as to share revenues between the borough and cities; and

➤ Amend Section 1, as follows:

SECTION 1. That KPB 5.18.100 is hereby amended as follows:

5.18.100. - General—Levied—Amount.

- A. There is levied by the borough a consumer's sales tax of up to 3 percent maximum rate on all retail sales, on all rents, and on all services made or rendered within the borough, measured by the gross sales price of the seller.
- B. In addition to the tax levied in paragraph A of this section, there is levied in the borough a sales tax on the rental of temporary lodging and overnight camping facilities of up to 6 percent of the rental price of all such rentals within the borough, except as specifically exempted herein.
- C. In addition to the sales taxes levied by the borough, any municipality within the borough may levy a consumer's sales tax and temporary lodging and overnight camping facilities tax as provided by Alaska Statute which shall be reported, collected, and enforced according to the terms of this chapter.

➤ Insert a new Section 3, as follows:

SECTION 3. That KPB 4.18.900 – Definitions is hereby amended by adding a new paragraph (T) to read as follows:

5.18.900. - Definitions.

When not clearly otherwise indicated by the context, the following words and phrases, as used in this chapter, have the following meanings:

...

- T. "Overnight camping facilities" means places used for temporary overnight stays including campgrounds and places providing spaces for recreational vehicles, caravans, trailers, other vehicles, tents, or other items used for overnight shelter.

- Renumber Section 3 to 4, as follows:

SECTION 3]4. That a ballot proposition shall be placed before borough voters at the regular election on October 3, 2017 to read as follows:

Shall Ordinance 2017-___, providing for the levy of a tax on temporary lodging and overnight camping facilities of up to 6 percent of the rental price, subject to existing exemptions in the borough sales tax code and an exemption of up to 3 percent in any city in the borough that levies a similar additional sales tax on temporary lodging in its boundaries, be approved? “Temporary lodging” means “a service to provide any lodging of less than one month”.

Yes _____ A “yes” vote means you approve of a tax on temporary lodging and overnight camping facilities [TAX] of up to 6 percent of the rental price in the borough, with an exemption of up to 3 percent in any city in the borough that levies a similar additional temporary lodging tax.

No _____ A “no” vote means you oppose a tax on temporary lodging and overnight camping facilities [TAX] of up to 6 percent of the rental price in the borough, with an exemption of up to 3 percent in any city in the borough that levies a similar additional temporary lodging tax.

- Renumber and amend Section 4, as follows:

SECTION 5 [4]. That Sections 4 [3] and 5 [4] of this ordinance shall become effective immediately upon enactment of this ordinance. Sections 1, and 2 and 3 of this ordinance shall become effective April 1, 2018, only if the proposition contained in Section 4 [3] is approved by a majority of voters voting on the question in the regular election of October 3, 2017.