

Introduced By: City Manager
Date: May 22, 2019
Action: Adopted as Amended
Vote: 6 Yes, 0 No

CITY OF SOLDOTNA
RESOLUTION 2019-025

A RESOLUTION IN SUPPORT OF KENAI PENINSULA BOROUGH ORDINANCE 2019-09, WHICH WOULD AMEND THE BOROUGH'S SALES TAX CODE TO EXEMPT TEMPORARY LODGING RENTALS FROM THE GENERAL SALES TAX, AND LEVY A TEMPORARY LODGING TAX OF WHICH HALF WOULD BE REMITTED TO CITIES THAT HAVE ADOPTED A SIMILAR TAX, SUBJECT TO BOROUGH VOTER APPROVAL

WHEREAS, promoting and facilitating economic development is an important function of local governments; and

WHEREAS, tourism is a critical industry for the City of Soldotna, and Kenai Peninsula Borough; and

WHEREAS, the Kenai Peninsula Borough Assembly is considering Ordinance 2019-09, which would exempt temporary lodging from the general sales tax, and implement an area wide temporary lodging tax of twelve percent (12%); and

WHEREAS, the ordinance would be subject to approval by borough voters at the regular election on October 1, 2019; and

WHEREAS, the ordinance provides for the remittance of up to half of the temporary lodging tax to cities that have adopted a similar temporary lodging tax; and

WHEREAS, the additional estimated revenue to the City of Soldotna should the temporary lodging tax be implemented, is approximately \$140,000 annually; and

WHEREAS, the City of Soldotna would use revenue collected from a temporary lodging tax towards activities and services as designated by the city; and

WHEREAS, the Soldotna City Council has previously supported the Borough Assembly's efforts to approve a borough-wide bed tax subject to voter approval (Resolution 2014-029); and

WHEREAS, it is in the best interest of the City to allow the voters of the borough to decide whether there shall be an area wide temporary lodging tax in the Borough;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOLDOTNA, ALASKA:

Section 1. The Soldotna City Council supports KPB Ordinance 2019-09, to establish a borough sales tax of up to twelve percent (12%) on temporary lodging, exempt temporary lodging from the borough general sales tax, and exempt the amount of any city temporary lodging tax up to one-half of the borough's temporary lodging tax, subject to borough voter approval.

Section 2. A copy of this resolution shall be forwarded to Borough Mayor Charlie Pierce, and the Members of the Kenai Peninsula Borough Assembly.

Section 3. This resolution shall become effective immediately upon its adoption.

ADOPTED BY THE CITY COUNCIL THIS 22ND DAY OF MAY, 2019.



Nels Anderson, Mayor

ATTEST:



Michelle M. Sauer, MMC, City Clerk

Yes: Parker, Whitney, Ruffridge, Cox, Cashman, Chilson
No: None