

Kenai Peninsula Borough
Assembly

MEMORANDUM

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

FROM: Norm Blakeley, Assembly Member *(N.B.) for N.B.*

DATE: March 22, 2018

RE: Amendment to Ordinance 2018-12, Increasing the Borough Sales Tax Rate from 3.0 Percent to 3.5 Percent by Amending KPB 5.18.100, Subject to Approval by the Voters in the Regular Election on October 2, 2018 (Cooper)

Although the economy is currently in decline, in four years it may rebound, eliminating the need for additional sales tax revenues generated by the 0.5 percent increase this ordinance would authorize. I would like to amend ordinance 2018-12 to sunset the increase in four years. Voter approval would be needed to continue the higher rate of sales tax at 3.5 percent beyond that four-year period.

Following are my proposed amendments. (Please note that the bold underlined language is new and bold crossed out language is to be deleted.)

- Add two new whereas clauses after the last whereas clause, as follows:

WHEREAS, as the economy may rebound within the next few years eliminating the need for this increase, the borough's best interest would be served by limiting this increase to four years such that it would expire December 31, 2022 unless extended or reinstated through voter approval; and

WHEREAS, voter approval would be required to continue or reinstate this increase after December 31, 2022;

- Amend Section 1 as follows:

SECTION 1. That KPB 5.18.100 (A) 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 3.5 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. **The 3.5 percent maximum rate shall be reduced by 0.5 percent to 3.0 percent maximum rate effective January 1, 2023.**

➤ Amend Section 2, as follows:

SECTION 2. That a ballot proposition shall be placed before borough voters at the regular election on October 2, 2018 to read as follows:

Shall Ordinance 2018-___, providing for an increase of 0.5 percent to the maximum borough sales tax rate **to 3.5 percent through December 31, 2022,** be ratified?

Yes _____ A "yes" vote means you approve of increasing borough's maximum sales tax rate from 3.0 percent to 3.5 percent **expiring on December 31, 2022.**

No _____ A "no" vote means you oppose increasing borough's maximum sales tax rate from 3.0 percent to 3.5 percent **expiring on December 31, 2022.**

Your support of this amendment would be appreciated.