

Introduced by: Gilman
Date: 02/03/15
Hearing: 03/17/15
Action: Introduced and Set for Public
Hearing on 03/17/15
Date: 03/17/15
Action: Amended by Substitute
Vote: 5 Yes, 4 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2015-03**

**AN ORDINANCE AMENDING KPB 5.18.200 TO REPEAL THE SEASONAL
EXEMPTION FROM SALES TAXES OF NON-PREPARED FOOD ITEMS**

WHEREAS, all Kenai Peninsula Borough sales taxes are legally required to be used for borough school purposes; and

WHEREAS, Initiative Ordinance 2008-01 effective January 1, 2009, exempted all sales of non-prepared food items from the borough sales tax from September 1 until May 31 each year; and

WHEREAS, the voters approved this exemption during the October 2008 regular election; and

WHEREAS, this seasonal sales tax exemption has resulted in annual reductions in sales tax revenues of approximately \$3,108,941 in fiscal year 2012, \$3,179,398 in fiscal year 2013, and in the estimated amount of \$3,335,187 for fiscal year 2014; and

WHEREAS, the school district is a vital part of our community as it educates our youth, attracts new families to the peninsula, and is the largest employer in the borough; and

WHEREAS, repealing this exemption would make more funds available that are needed to adequately fund education; and

WHEREAS, making this ordinance effective June 1, 2015, would provide time for the local businesses to adjust their systems in order to continue to collect sales taxes on non-prepared food items during the time period that was previously exempted;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That KPB 5.18.200(15)(D), providing for a seasonal exemption of non-prepared food from sales taxes, is hereby repealed.

SECTION 2. That this ordinance shall take effect June 1, 2015.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS *
DAY OF * 2015.**

Dale Bagley, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Vote on motion to amend by Substitute:

Yes: Gilman, Johnson, McClure, Wolf, Bagley

No: Cooper, Haggerty, Ogle, Welles

Absent: None