

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor/Council

4 **RESOLUTION 16-068**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 EXPRESSING SUPPORT FOR KENAI PENINSULA BOROUGH
8 ORDINANCE 2016-16, SUBMITTING TO THE VOTERS A BALLOT
9 PROPOSITION THAT INCREASES THE SALES TAX CAP FROM \$500
10 TO \$1,000 AND EXEMPTS RESIDENTIAL RENTS FROM SALES TAX.

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12 WHEREAS, The decline in state programs and financial assistance to municipalities
13 resulted in cuts to the City of Homer operating budget and suspension of dedicated sales tax
14 for roads, HART, until 2019 to cover the gap; and

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16 WHEREAS, Kenai Peninsula Borough Ordinance 2016-16 increases the sales tax cap
17 from \$500 to \$1,000 borough-wide and exempts residential rent from sales tax, subject to
18 voter approval; and

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20 WHEREAS, The Kenai Peninsula Borough estimates that the increase in sales tax cap
21 coupled with the exemption of residential rent would generate approximately \$190,000 in
22 increased sales tax returns for the City of Homer; and

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24 WHEREAS, Small revenue increases from multiple sources, combined with careful
25 spending will be needed to balance the budget by 2019; and

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27 WHEREAS, The sales tax cap has not been adjusted in over 50 years; and

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29 WHEREAS, Increasing the cap Borough-wide keeps the playing field level for peninsula
30 businesses.

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32 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, expresses
33 support for KPB Ordinance 2016-16, submitting to the voters a ballot proposition that
34 increases the sales tax cap from \$500 to \$1,000 and exempts residential rent.

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36 BE IT FURTHER RESOLVED that the Homer City Clerk is instructed to transmit a copy of
37 the resolution to the Kenai Peninsula Borough Mayor and Assembly.

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39 PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.
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CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$190,000 increased revenue divided between HART, HAWSP and General Fund.