

**Gary Glasgow**

Location:

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Kenai Borough Assembly Members

I share my concerns with you in regards to Resolution 2024-029 not only as a lodging business owner but also a resident of Kenai Borough.

The main purpose of Resolution 2024-029 is to generate funds for The Kenai Borough. Such actions surrounding the accommodation tax have been defeated multiple times over the many years they have been put forward. My question is, Why is it only accommodations that you want to increase the tax on?

Your concern lies around the several hundred thousands of visitors that visit our piece of beautiful Alaska and the cumbersome burden those actions have on our resources.

If you break down visitors in the most basic form, they need transportation, food, and shelter. If you look at it further, they also visit our area for multiple activities whether that be fishing, hiking, multiple tours (boat, air, horseback, rafting, ATV's, etc), photography, obstacle courses, zip lining, etc. All of these have an impact on our resources.

This brings me back to my question: Why is it only accommodations that you want to increase tax on? At the very least you should take an approach of working through the most basic needs of a visitor and spread the taxes among those categories (transportation, food and shelter) instead of just shelter. In addition to that, revenue could be generated with activities that occur daily in our environment.

Your reason for this increase falls short with enforcement and overhaul of "generous borough tax exemptions". I would like to understand the definition of generous tax exemptions. Does it mean the exemption for seniors for property tax? The many capped taxes for certain businesses? Our credit for prompt remittance of sales tax? Is it the unfinished improvements of buildings are taxable as is? Is it the hundreds of buildings that are never reported to the borough to be taxed? Many opportunities for enforcement and adherence to codes exist. Fix your challenge first along with enforcement and then increase taxes.

In my case, I will go from a 3% Kenai Borough Sales Tax to a 12% Accommodation Tax increasing the current tax by 9% with no cap. That is a significant increase to happen if it passes effective 1/2026.

My point is to review what you already have on the books for improvement, adherence and enforcement and then spread the wealth of your tax system to those that benefit from the visitors (transportation, food, shelter, activities). It is a much easier pill to swallow when the Kenai Borough has done their due diligence before enacting tax increases to a select few that benefit from our visitors.

Thank you,

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