

Introduced by: Bagley  
Date: 02/06/18  
Hearing: 03/06/18  
Action: Failed to Enact  
Vote: 0 Yes, 9 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2018-09**

**AN ORDINANCE AMENDING THE BOROUGH CODE TO PROVIDE FOR  
FINANCIAL SUPPORT FOR THE PROMOTION OF TOURISM AND ECONOMIC  
DEVELOPMENT SUBJECT TO ANNUAL ASSEMBLY APPROPRIATION AND  
VOTER APPROVAL OF A BED TAX**

**WHEREAS**, the assembly is considering the enactment of an ordinance that would impose a sales tax on all or a portion of the tourism industry; and

**WHEREAS**, the Kenai Peninsula Borough ("borough"), as a second class borough, may provide for economic development on a nonareawide basis pursuant to AS 29.35.210(a)(8); and

**WHEREAS**, promotion of tourism is a form of promoting economic development; and

**WHEREAS**, when the borough has entered into an agreement with city in the borough to cooperatively or jointly provide for economic development it may use funds collected on an areawide basis to carry out the terms of that agreement pursuant to AS 29.35.110(c); and

**WHEREAS**, the borough may also use federal payments in lieu of taxes for any governmental purpose, whether areawide or nonareawide; and

**WHEREAS**, if the proposed tourism tax is approved by the voters, it is appropriate that an amount equal to a portion of the funds raised through the proposed tax be designated for appropriation to organizations promoting tourism and economic development in the areas of the borough outside of the cities; and

**WHEREAS**, any such designation must be subject to the annual appropriation of funds by the borough assembly pursuant to AS 29.35.100;

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

**SECTION 1.** That the title to KPB Chapter 19.10 is hereby amended as follows:

**CHAPTER 19.10. PROMOTION OF TOURISM AND ECONOMIC DEVELOPMENT**

**SECTION 2.** That KPB 19.10.010 is hereby amended as follows:

**19.10.010. Tourism and economic development—Authority for nonareawide promotion.**

The assembly may provide for programs and funding for the promotion of tourism and enhancing, fostering and promoting economic development for areas of the borough outside of the cities.

**SECTION 3.** That KPB 19.10.020 is hereby amended as follows:

**19.10.020. Method of exercise—Funding.**

The authority to provide for the tourism promotion and economic development enhancement, fostering and promotion specified in this chapter may be carried out by the borough administrative staff or by contract, by grants to nonprofit organizations established for tourism and economic development promotion or by grants to municipalities having programs that can meet the needs of the borough for its nonareawide program. Administration of all programs and contracts shall be through the borough mayor or his designee.

During the annual budget approval process the assembly shall consider appropriating an amount equal to up to 15 percent of proceeds received from the imposition of a tourism or bed tax in the borough to support the promotion of tourism in the borough. It shall also consider appropriating an amount equal to up to 5 percent of proceeds received from the imposition of a tourism or bed tax in the borough to support the enhancement, fostering and promotion of economic development in the areas of the borough outside of the cities. All appropriations and program objectives shall be approved annually by the borough assembly, and no applications shall be approved nor expenditures made prior to approval of the annual program objectives.

**SECTION 4.** That KPB 19.30.020 is hereby amended as follows:

**19.30.020. Purpose and scope.**

The purpose of this chapter is to provide criteria, guidelines, and procedures for borough support of responsible economic development projects on a nonareawide basis. Nothing in this chapter shall be construed to create any right whatsoever to borough support of any proposal, and the borough reserves the right to reject any and all such proposals. Consistent with the above, this ordinance does not apply to borough consideration of projects with primary purposes other than economic development; consideration of such projects shall be within the scope of other applicable borough powers. The remaining provisions of this chapter also shall not apply to appropriations made by the assembly pursuant to KPB Chapter 19.10 for the enhancement, fostering and

promotion of economic development in the borough or the promotion of tourism.

**SECTION 5.** That this ordinance shall only take effect if the voters approve ordinance 2017-29 providing for an areawide sales tax on temporary lodging facilities or other tourism industry services, subject to voter approval during the regular election of October 2, 2018. If the voters approve that tax this ordinance shall become effective on the 1st day of April, 2019.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2018.**

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Wayne H. Ogle, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes: None

No: Bagley, Blakeley, Carpenter, Cooper, Dunne, Fischer, Hibbert, Smalley, Ogle

Absent: None