

**KENAI PENINSULA BOROUGH
INITIATIVE ORDINANCE 2002-01**

**AN ORDINANCE EXEMPTING ALL SALES OF NONPREPARED
FOOD ITEMS FROM BOROUGH SALES TAX**

WHEREAS, taxation of basic food items creates hardship for some citizens residing within the Kenai Peninsula Borough; and

WHEREAS, such taxation can be particularly difficult for families, the elderly, low income individuals and unemployed people; and

WHEREAS, burdening individuals and families who are least able to pay with taxation of products necessary for their survival is not in the best interest of our society; and

WHEREAS, most state governments exempt sales tax on unprepared food items and, of the minority that do tax unprepared food, some do so at a reduced rate; and

WHEREAS, the collection of revenue required for borough and municipal operation can be more fairly accomplished without burdening those who are least able to support such taxation;

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

SECTION 1. That the Kenai Peninsula Borough Code is hereby amended by creating a new Section 5.18.280 to read as follows:

5.18.280. Exemptions/waivers - Sales of nonprepared food items. Sales tax is prohibited on all sales of nonprepared food items. These food items include those which have been previously granted exemption in KPB 5.18.200(14) for food purchased with coupons issued under the federal food stamp program.

SECTION 2. If approved by a majority of the voters voting on this question at a regular or special election held for that purpose, this ordinance shall take effect upon certification of that election.

REJECTED BY THE VOTERS AT THE OCTOBER 1, 2002 REGULAR ELECTION