

Introduced by:	Mayor
Date:	08/19/08
Hearings:	09/02/08 & 09/16/08
Action:	Postponed Until 09/16/08
Action:	Enacted as amended
Vote:	6 Yes, 1 No, 2 Absent
Action:	Reconsideration Filed by Fischer
Date:	10/14/08
Action:	Reconsideration Failed
Vote:	1 Yes, 8 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2008-28**

**AN ORDINANCE AUTHORIZING THE GENERAL LAW CITIES IN THE KENAI  
PENINSULA BOROUGH TO LEVY AND COLLECT SALES TAXES ON  
NONPREPARED FOOD ITEMS**

**WHEREAS,** if approved by the voters in the October 7, 2008, election, ballot Proposition 1 will require that nonprepared food items be exempt from borough sales taxes from September 1 through May 31 of each year; and

**WHEREAS,** Alaska Statute 29.45.700 requires general law cities in the borough that levy a sales tax to levy the tax sources taxed by the borough unless the assembly by ordinance authorizes the city to levy and collect taxes on other sources; and

**WHEREAS,** the cities of Soldotna, Homer, and Seldovia are general law cities that levy a sales tax and will be required to exempt nonprepared foods if Proposition 1 passes, unless the assembly gives them the option to tax nonprepared food year-round; and

**WHEREAS,** the cities of Seward and Kenai are home rule cities and are, therefore, exempt from the statutory requirement to tax the same sources as the borough unless otherwise provided by the assembly; and

**WHEREAS,** at its meeting on August 13, 2008, the Soldotna City Council adopted Resolution 2008-052 requesting the Kenai Peninsula Borough to grant the city of Soldotna the option to tax nonprepared food; and

**WHEREAS,** at its meeting of September 10, 2008 the Seldovia City Council adopted Resolution 09-03 in support of Kenai Peninsula Borough Ordinance 2008-28; and

**WHEREAS,** at its meeting of July 28, 2008, the Homer City Council introduced Ordinance 08-32, amending the Homer Sales Tax Code to seasonally exempt sales of nonprepared food between September 1 and May 31 each year and scheduled that ordinance for public hearing on October 27, 2008; and

**WHEREAS,** exempting nonprepared food items for nine months each year will likely have a significant impact on the cities' revenues; and

**WHEREAS,** each city is in the best position to make policy decisions concerning whether or not to exempt nonprepared food items from its respective city sales tax; and

**WHEREAS,** it is accordingly appropriate to authorize the city councils of general law municipalities to make this decision on behalf of their own constituents;

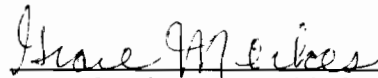
**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

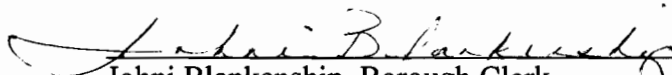
**SECTION 1.** That the general law cities in the Kenai Peninsula Borough are authorized to levy and collect sales taxes on nonprepared food items on a year-round basis except for sales that are required to be exempted by AS 29.45.700 as now enacted or may be hereinafter.

**SECTION 2.** That this ordinance shall take effect on October 14, 2008, if Proposition 1 of the Kenai Peninsula Borough regular election is approved by the voters.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 16TH DAY OF SEPTEMBER, 2008.**

ATTEST:

  
\_\_\_\_\_  
Grace Merkes, Assembly President

  
\_\_\_\_\_  
Johni Blankenship, Borough Clerk



Enactment:

- Yes: Long, Martin, Smith, Sprague, Superman, Merkes
- No: Fischer
- Absent: Gilman, Knopp

Reconsideration:

- Yes: Fischer
- No: Fischer, Gilman, Knopp, Long, Martin, Smith, Sprague, Superman, Merkes
- Absent: None