



## KENAI PENINSULA BOROUGH

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DAVID R. CAREY  
BOROUGH MAYOR

### MEMORANDUM

**TO:** Gary Knopp, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** David R. Carey, Mayor *Dr. Carey*

**DATE:** March 24, 2011

**SUBJECT:** Proposed amendment to Ordinance 2011-03, repealing the seasonal sales tax exemption of non-prepared food items

Since the voters enacted this exemption by initiative, I am of the opinion that the question of repealing the exemption should also be decided by the voters. Although the assembly could legally repeal this exemption now, I do not think that is a good public process. Accordingly, I request that the assembly amend this ordinance as follows:

- Amend the title as follows:

AN ORDINANCE AMENDING KPB 5.18.200 TO REPEAL THE **BOROUGH** SEASONAL EXEMPTION FROM SALES TAXES OF NON-PREPARED FOOD ITEMS **SUBJECT TO VOTER APPROVAL**

- Amend the last whereas clause as follows:

**WHEREAS**, making this ordinance effective **January 1, 2012** [SEPTEMBER 1, 2011], would provide time for the local businesses to adjust their **collection methods** [SYSTEMS IN ORDER TO CONTINUE TO COLLECT SALES TAXES ON NON-PREPARED FOOD ITEMS DURING THE TIME PERIOD THAT WAS PREVIOUSLY EXEMPTED]; **and**

- Add a new whereas clause at the end as follows:

**WHEREAS, making this ordinance effective subject to the voters' approval is appropriate as the original exemption was approved by the voters;**

- Add a new Section 2 as follows:

**SECTION 2. That a proposition shall be placed before the voters of the Kenai Peninsula Borough for the regular election to be held October 4, 2011, which reads as follows:**

Proposition No. \_\_\_\_

**Shall the seasonal exemption of non-prepared food items from borough sales taxes be repealed?**

\_\_\_\_\_ **YES. [A YES vote will repeal the 9-month exemption of non-prepared food items from sales taxes.]**

\_\_\_\_\_ **NO. [A NO vote will continue the 9-month exemption of non-prepared food items from sales taxes.]**

- Renumber the old Section 2 to Section 3 and amend as follows:

**SECTION 3[2]. Section 2 of this ordinance will take effect immediately upon its enactment. Section 1 of this ordinance shall take effect January 1, 2012 and only if a majority of the voters voting on the question approve the proposition. [THAT THIS ORDINANCE SHALL TAKE EFFECT SEPTEMBER 1, 2011.]**