

Introduced by: Nash  
Date: 7/21/92  
Hearing: 8/18/92  
Defeated: 8/18/92  
Vote: Unanimous

**KENAI PENINSULA BOROUGH  
ORDINANCE 92-43**

**AN ORDINANCE AMENDING TITLE 5.18 OF THE BOROUGH SALES TAX CODE  
TO PROVIDE FOR A NONAREAWIDE SALES TAX AND REDUCING MONTHLY  
FILINGS FOR NEW BUSINESSES**

**WHEREAS,** as a result of declining state revenues and declining property values there will need to be a tax increase to pay for the services provided in the Kenai Peninsula Borough; and

**WHEREAS,** a recent poll indicates that a sales tax increase is favored over a property tax increase; and

**WHEREAS,** there is a 2% area wide sales tax and a 3% sales tax in the cities other than Homer which has a 3-1/2% tax resulting in sales taxes of 5% or 5-1/2% in the cities and 2% in the area outside of the cities; and

**WHEREAS,** AS 29.45.650 permits a borough to levy and collect a sales tax; and

**WHEREAS,** AS 29.45.700 permits a city within a borough to levy and collect a sales tax on all sources taxed by the borough; and

**WHEREAS,** the statutory cap of 6% on sales taxes has been repealed; and

**WHEREAS,** AS 29.35.110 provides that taxes collected on an areawide basis must be spent on general administrative costs and on areawide functions only, and that taxes collected on a nonareawide basis may only be spent on nonareawide services; and

**WHEREAS,** AS 29.45.670 provides that an increase in sales taxes authorized by ordinance does not take effect until voter ratification;

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

**SECTION 1.** That Section 5.18.100(A) of the Kenai Peninsula Borough Code of Ordinances is hereby amended to read as follows:

**5.18.100. Levied - Amount.**

A. There is levied by the borough a consumer's sales tax [OF 2%] on all retail sales, on all rents, and on all services made or rendered within the borough, measured by the gross sales price of the seller.

1. There is levied a borough wide borough sales tax of 2%;
2. In addition to the borough wide sales tax, there is levied a nonareawide borough sales tax of 3%.

**SECTION 2.** That Section 5.18.110(A) of the Kenai Peninsula Borough Code of Ordinances is hereby amended to read as follows:

**5.18.110. Proceeds - Use [FOR SCHOOL PURPOSES] - Payment to cities.**

A. The net proceeds from the taxes collected by the borough pursuant to this chapter shall be used:

1. As to the borough wide sales tax, exclusively for borough school purposes;
2. As to the nonareawide sales tax, for nonareawide solid waste purposes, for the classification, survey, platting and disposal of borough lands, and for the nonareawide planning department and planning commission purposes.

**SECTION 3.** That KPB 5.18.300 is amended to read as follows:

**5.18.300. Certificate of Registration required — Real property management exception.**

A. All sellers shall file with the borough an application for a certificate of registration, on a form provided by the borough, prior to commencing business, or the opening of an additional place of business.

B. Each business shall be registered under the advertised name of the business, and each separate business shall be registered under its own separate account.

C. For the purposes of this chapter, an owner or manager of real property rentals need have only one registration for all rental properties owned or managed under one business name.

**SECTION 4.** That Section 5.18.500(B)(1) of the Kenai Peninsula Borough Code of Ordinances is hereby amended to read as follows:

**5.18.500. Returns - Filing required - Filing schedule.**

A....

B....

(1) For the first [6] three months after a sales tax certificate is issued, returns shall be filed monthly.

**SECTION 5.** That Sections 3 and 4 of this ordinance take effect at 0:01 a.m. on January 1, 1993. That Sections 1 and 2 of this ordinance take effect 0:01 a.m. on July 1 of the year following ratification by majority vote at an election.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 1992.**

**ATTEST:**

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**Betty J. Glick, Assembly President**

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**Gaye J. Vaughan, Borough Clerk**