

Introduced by:	Mayor
Date:	05/18/04
Hearing:	06/15/04
Action:	Enacted
Vote:	6 Yes, 3 No

**KENAI PENINSULA BOROUGH
ORDINANCE 2004-17**

**AN ORDINANCE AMENDING KPB CHAPTER 5.18 TO EXEMPT FROM
THE SALES TAXES OIL SPILL RELATED SERVICES PROVIDED BY
CERTAIN TYPES OF NONPROFIT ORGANIZATIONS**

- WHEREAS,** Cook Inlet Spill Prevention and Response, Inc. (“CISPRI”) is a quasi-governmental organization created under the Oil Spill Pollution Act of 1990 to assist in preventing, containing, and removing spilled crude oil or refined petroleum products from waters, shorelines, and certain lands adjacent to Cook Inlet, Alaska; and
- WHEREAS,** CISPRI operates as a cooperative that is funded by annual contributions from its members, which include oil companies operating in Cook Inlet; and
- WHEREAS,** at the end of each year unexpended funds are returned to the members, and if additional funds are required during the year the members are required to pay additional funds; and
- WHEREAS,** CISPRI provides valuable services to the community by enabling oil companies to pool resources to minimize the likelihood of an oil spill and the resulting damage when a spill occurs; and
- WHEREAS,** while the Kenai Peninsula Borough Sales Tax Code exempts sellers that are recognized as 501(c)(3) corporations under the Internal Revenue Code, it does not exempt organizations that do not have a 501(c)(3) designation but which are formed as a nonprofit corporation under state law and provide the above-described services; and
- WHEREAS,** under the current code, charges collected by companies such as CISPRI for teaching oil spill prevention and cleaning up oil spills are subject to the sales tax; and
- WHEREAS,** exempting such charges from sales tax is consistent with the best interests of the borough;

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

SECTION 1. That KPB 5.18.200(A) is amended by adding a new subparagraph 19 as follows:

5.18.200. Exemptions/waivers—Exemptions.


A. The following classes of retail sales, services and rentals are exempt:

* * *

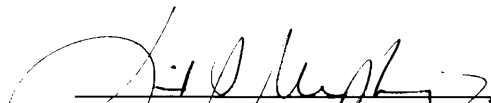
19. Services provided by a cooperative nonprofit organization recognized by either the State of Alaska or the federal government to assist in preventing, containing, and removing spilled crude oil or refined petroleum products, and to cooperate with governmental agencies, private organizations, and industry in preventing, containing, and removing any spills of crude oil or refined petroleum products upon waters in the Kenai Peninsula Borough and the adjacent lands.

SECTION 2. That this ordinance shall take effect July 1, 2004.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 15TH DAY OF JUNE, 2004.


Pete Sprague, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk

