

RESOLUTION 09-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA SUPPORTING THE 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 non prepared food items be exempt from borough sales taxes from September 1 through May 31 of each year; and

WHEREAS, Alaska Statue 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 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 on 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 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 the decision on behalf of their own constituents;

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WHEREAS, that the general law cities in the Kenai Peninsula Borough are authorized to levy and collect taxes on nonprepared food items on a year-round basis except for sales that are required to be exempted by AS 29.45.7000 as now enacted or may be hereinafter.

NOW, THEREFORE, BE IT RESOLVED that the City of Seldovia that strongly supports adoption of the Kenai Peninsula Borough ordinance 2008-28.

PASSED AND ADOPTED by a duly constituted quorum of the City Council of the City of Seldovia, on this 10th day of September 2008.

APPROVED Richard Wyland
Richard Wyland, Mayor

ATTEST: Mary Klingler
Mary Klingler, Clerk

