

Introduced by: Mayor  
Date: 03/01/11  
Hearing: 04/05/11  
Action: Enacted as Amended  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2011-03**

**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**

**WHEREAS,** all sales taxes are legally required to be used for borough school purposes; and

**WHEREAS,** Initiative Ordinance 2008-01 effective January 1, 2009, exempted all sales of non-prepared food items from the borough sales tax from September 1 until May 31 each year; and

**WHEREAS,** the voters approved this exemption during the October 2008 regular election; and

**WHEREAS,** this seasonal sales tax exemption has resulted in annual reductions in sales tax revenues of approximately \$1,550,000 in fiscal year 2009, \$2,800,000 in fiscal year 2010, and is estimated at about \$2,800,000 for fiscal year 2011; and

**WHEREAS,** the school district is a vital part of our community as it educates our youth, attracts new families to the peninsula, and is the largest employer in the borough; and

**WHEREAS,** repealing this exemption would make more funds available that are needed to adequately fund education; and

**WHEREAS,** making this ordinance effective January 1, 2012, would provide time for the local businesses to adjust their collection methods; and

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

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

**SECTION 1.** That KPB 5.18.200(15)(D), providing for a seasonal exemption of non-prepared food from sales taxes, is hereby repealed.

**SECTION 2.** That a proposition shall be placed before the voters of the Kenai Peninsula Borough for the regular election to be held on 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Shall the seasonal exemption of non-prepared food items from borough sales taxes be repealed?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.]*

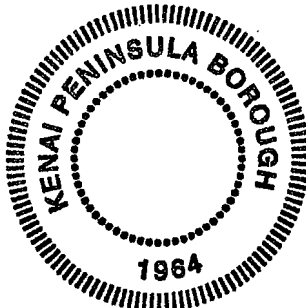
**SECTION 3.** Section 2 of this ordinance will take effect immediately upon its enactment. Section 1 of this ordinance shall take effect January 1, 2012 and only if a majority of the voters voting on the question approve the proposition.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF APRIL, 2011.**

  
\_\_\_\_\_  
Gary Knopp, Assembly President

ATTEST:

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



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: None