

**CITY OF KODIAK
ORDINANCE NUMBER 1155**

**AN ORDINANCE OF COUNCIL OF THE CITY OF KODIAK AMENDING
KODIAK CITY CODE CHAPTER 3.08 RELATING TO THE IMPOSITION OF SALES
TAX**

WHEREAS, in 1979 the City Council adopted Ordinance Number 557 increasing the sales tax rate from 3% to 5%; and

WHEREAS, in 1993 the City Council adopted Ordinance Number 964 increasing the sales tax rate from 5% to 6% and dedicated specific portions of the tax to three separate funds: roads, parks and recreation, and port and harbor; and

WHEREAS, Ordinance Number 964 also extended the "sunset provision" that applies to the 2% sales tax increase implemented by Ordinance Number 557 from December 31, 1996 to December 31, 2003; and

WHEREAS, this 2% of the total 6% sales tax levy is essential funding for City roads, parks and recreation facilities, and port and harbor infrastructure.

NOW THEREFORE BE IT ORDAINED by the Council of the City of Kodiak, Alaska, that the City Code Chapter 3.08 is amended as follows:

Section 1. Section 3.08.010 is amended to read as follows:

3.08.010 Levy of sales tax. (a) A sales tax of eleven (11) percent of the rental charge is levied on all transient room rentals within the city. [This sales tax will also be known as the "bed tax."]

Section 2. Section 3.08.025 is amended to read as follows:

3.08.025 Allocation of sales tax proceeds. (a) One-sixth of the sales taxes collected under paragraph (b) of section 3.08.010 of this chapter and one-eleventh of the sales taxes collected under paragraph (a) of section 3.08.010 of this chapter shall be allocated to a separate fund or account to be appropriated and utilized solely for road improvements and capital equipment and for park construction and capital improvements, provided, however, that the total amount of sales taxes allocated to the foregoing fund with respect to any one fiscal year shall not exceed \$1,000,000. This tax will be collected until ~~December 31, 2003, unless further ratified by the voters at the October 2003 election,~~ [December 31, 2013 unless further extended by the City Council] and is to be allocated as follows:

(1) Ninety percent for road improvements and capital equipment; and

(2) Ten percent for park construction and capital improvements.

(b) One-sixth of the sales taxes collected under paragraph (b) of section 3.08.010 of this chapter and one-eleventh of the sales taxes collected under paragraph (a) of section 3.08.010 of this chapter shall be allocated to a separate fund or account to be appropriated and utilized solely for harbor and port capital improvements constructed by or on behalf of the city, provided, however, that the total amount of sales taxes allocated to the foregoing fund with respect to any one fiscal year shall not exceed \$1,000,000.

This tax will be collected until ~~December 31, 2003~~, unless further ratified by the voters at the ~~October 2003~~ election, [December 31, 2013, unless further extended by the City Council] and is to be allocated as follows: [for port and harbor infrastructure maintenance, repair, replacement, and capital equipment.]

- ~~(1) Forty percent for new boat harbor development;~~
- ~~(2) Twenty percent for development and improvement of the existing and planned wharves, docks, and berthing facilities;~~
- ~~(3) Twenty percent for capital construction on the existing and planned wharves, docks, and berthing facilities; and~~
- ~~(4) Twenty percent for support facilities, such as parking and other services pertinent to the docks and boat harbor.~~

(c) Five-elevenths of the sales taxes collected under subsection 3.08.010(a) shall be allocated to a separate fund or account to be appropriated and utilized solely for increased development of the tourist industry, and is to be allocated as follows:

- (1) Seventy percent or less to a council approved tourism program;
- (2) Twenty percent or more for tourism enhancement projects, such as beautification within the city, development of which shall be solely at the council's discretion; and

(3) Ten percent for the administrative costs associated with such programs.

(d) The balance of sales taxes collected shall be deposited to the general fund of the city to be appropriated as determined by the council.

(e) There will be an annual public hearing scheduled to discuss the following fiscal year's priorities for the expenditures of the road and harbor dedicated sales tax revenues.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK

First Reading: May 8, 2003
Second Reading: June 12, 2003
Effective Date: July 17, 2003

