

Proposed by:	Assemblymember Burnham
Attorney Review:	01/11/2023
First Reading:	01/19/2023
Second Reading:	02/02/2023
Vote:	<input type="checkbox"/> Aye <input type="checkbox"/> Nay <input type="checkbox"/> Absent

**MUNICIPALITY OF SKAGWAY, ALASKA  
ORDINANCE NO. 23-01**

**AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AMENDING MUNICIPAL CODE SECTION 4.08.070, LIMITATIONS OF USE OF TAX PROCEEDS, TO INCREASE THE ALLOWABLE ALLOCATION OF SALES TAX PROCEEDS TO THE GENERAL FUND.**

**WHEREAS**, while costs to the Municipality of labor, goods and materials, and professional services continue to increase, general fund revenue sources remain stagnant; and

**WHEREAS**, the sales tax fund carries a balance that could be made available to cover increasing expenses from the general fund; and

**WHEREAS**, municipal code section 4.08.070(A)(5) allows for the equivalent of 4.5 mills to be transferred from the sales tax fund to the general fund; and

**WHEREAS**, the current allocation allowed by municipal code has not been substantially increased since 2013 and may not reflect the current circumstances and needs of the Municipality and the community; and

**WHEREAS**, the municipal code can be amended to allow for an increased allocation of sales tax proceeds to the general fund to cover the increased cost of municipal services and projects;

**NOW THEREFORE BE IT ORDAINED AND ENACTED BY THE MUNICIPALITY OF SKAGWAY, ALASKA AS FOLLOWS:**

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the Skagway Municipal Code.

**Section 2. Purpose.** To amend Skagway Municipal Code section 4.08.070 Limitations of use of tax proceeds for the purpose of increasing the allowable allocation of sales tax proceeds to the general fund.

**Section 3. Amendment.** The Skagway Municipal Code is hereby amended; ~~(strike through)~~ indicates text to be deleted from and **(bold underscore)** indicates text added to the current code. Skagway Municipal Code section 4.08.070 Limitations of use of tax proceeds is hereby amended as follows:

- 4.08.070      Limitations of use of tax proceeds.
- A.          The proceeds of the tax hereby levied, except the hotel room tax, shall be used for principal and interest on general obligation bond issues. At the beginning of each

fiscal year, a sum sufficient to pay the known or anticipated installments on general obligation bonded indebtedness shall be set aside for this purpose. Any remaining funds available after the sum set aside for general obligation bond indebtedness shall be distributed as follows:

1. A percentage of any remaining funds may be appropriated by the assembly for the purpose of school funding.
2. A percentage of any remaining funds, after allocation for repayment of general obligation bonds and/or school funding, may be appropriated by the assembly for the purpose of medical service delivery funding.
3. A percentage of any remaining funds, after allocation for repayment of general obligation bonds, school funding and medical service delivery, may be appropriated by the assembly for equipment replacement reserves. This percentage is to be set annually and included in the budget ordinance.
4. A percentage of any remaining funds may be allocated for special and capital projects.
5. Thereafter any unused remainder may be allocated to the general fund or other funds for services responding to visitor impact including, but not limited to emergency services, clinic and museum. Such allocation shall not exceed the equivalent of ~~4.5~~ 6.0 mills.

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**Section 4. Severability.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

**Section 5. Effective Date.** This ordinance shall become effective immediately upon adoption.

**PASSED AND APPROVED** by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this \_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Andrew Cremata, Mayor

ATTEST:

\_\_\_\_\_  
Steve Burnham Jr., Borough Clerk  
(SEAL)