

Proposed by:	Administration
Attorney Review:	08/04/2014
Finance Review:	08/21/2014
First Reading:	08/21/2014
Second Reading:	09/04/2014
Vote: 4 Aye 0 Nay 2 Absent	

**MUNICIPALITY OF SKAGWAY, ALASKA
ORDINANCE NO. 14-19**

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AMENDING THE SALES TAX CODE TO PROVIDE FOR A ONE-PERCENT SALES TAX INCREASE DURING THE 2ND AND 3RD QUARTERS OF THE CALENDAR YEAR; AND DIRECTING THE BOROUGH CLERK TO PLACE A BALLOT PROPOSITION ON THE OCTOBER 7, 2014, REGULAR MUNICIPAL ELECTION BALLOT REGARDING THIS INCREASE; SUCH SALES TAX INCREASE TO PROVIDE FOR REPAYMENT OF GENERAL OBLIGATION BONDS FOR FUNDING THE CONSTRUCTION OF THE PUBLIC SAFETY FACILITY.

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

Section 1. Classification. Section 3 of this ordinance is of a general and permanent nature and shall become a part of the Skagway Municipal Code. Section 4 of this ordinance is not of a general and permanent nature and shall not become a part of the Skagway Municipal Code.

Section 2. Purpose. To amend SMC 4.08.020 Rate of General Sales Tax to provide for a sales tax increase from five (5) percent to six (6) percent during the 2nd and 3rd quarters of each calendar year, to provide funding for construction of the Public Safety Facility; and to place Ballot Proposition #1 before the voters on October 7, 2014, to ratify such increase.

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. Section 4.08.020 Rate of General Sales Tax is hereby amended as follows:

4.08.020 Rate of general sales tax.
 A. Said tax is hereby levied in the amount of ~~five~~ **six** percent (~~5-6~~%) of the gross revenues derived from all taxable transactions except those subject to the hotel room tax. ~~The tax is levied~~ in accordance with the following schedule, for the months of April through September of the calendar year:

Sales Price	Amount of Tax
Under \$0.19 <u>\$0.16</u>	None
\$0.20 <u>\$0.17</u> to 0.29 <u>0.33</u>	\$0.01
\$0.30 <u>\$0.34</u> to 0.49	\$0.02
\$0.50 to 0.69 <u>0.66</u>	\$0.03
\$0.70 <u>\$0.67</u> to 0.89 <u>0.83</u>	\$0.04
\$0.90 <u>\$0.84</u> to 1.09 <u>0.99</u>	\$0.05
\$1.10 <u>\$1.00</u> to 1.29 <u>1.16</u>	\$0.06
\$1.30 <u>\$1.17</u> and over continues on same scale.	

B. Said tax is hereby levied in the amount of three percent (3%) of the gross revenues derived from all taxable transactions except those subject to the hotel room tax.

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~~The tax is levied~~ in accordance with the following schedule, for the months of January through March and October through December of the ~~C~~calendar year:

Sales Price	Amount of Tax
Under \$0.16	None
\$0.17 to 0.49	\$0.01
\$0.50 to 0.83	\$0.02
\$0.84 to 1.16	\$0.03
\$1.17 to 1.49	\$0.04
\$1.50 to 1.83	\$0.05
\$1.84 to 2.16	\$0.06
\$2.17 and over continues on same scale.	

- C. The taxability of a sale of goods is determined by the point of sale. The taxability of a service performed or rental made is determined by the place where the service is performed or the rental property is located.

Section 4. Submission of Ballot Proposition to Voters. The borough clerk is hereby directed to place Ballot Proposition #2 before the voters on the October 7, 2014, Regular Municipal Election ballot as follows:

Ballot Proposition #2

“Shall the rate of sales tax collected upon sales made and services rendered in Skagway be increased from 5% to 6% during the 2nd and 3rd quarters (April through September) of each calendar year; for the purpose of repaying general obligation bonds for funding the construction of the Public Safety Facility?”

For Against

Section 5. 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 6. Effective Dates.

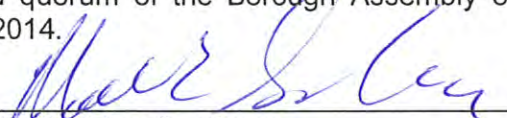
- A. The amendments to Section 4.08.020 of the Skagway Municipal Code set forth in Section 3 of this ordinance shall become effective upon certification of the Regular Municipal Election to be held on October 7, 2014 if Ballot Proposition #1 is ratified by the voters at that election.
- B. Section 4 of this ordinance directing submission of Ballot Proposition #1 to the voters at the Regular Municipal Election on October 7, 2014, and Section 5, shall be effective immediately.
- C. The one-percent (1%) sales tax increase will sunset upon collection of the revenue to pay off the principal and all interest accrued to pay off the Public Safety Facility bond.

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PASSED AND APPROVED by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this 4th day of September, 2014.



Mark Schaefer, Mayor

ATTEST:



Emily A. Deach, Borough Clerk

(SEAL)

