

**CITY OF WASILLA  
ORDINANCE SERIAL NO. 08-28**

**AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.16.030, LEVY OF TAX, TO PROVIDE THAT THE AUTHORITY OF THE CITY TO LEVY A SALES TAX WILL EXPIRE IF THE CITY LEVIES A PROPERTY TAX EXCEEDING TWO MILLS.**

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\* **Section 1. Classification.** This ordinance is of a general and permanent nature and shall become part of the city code.

\* **Section 2. Amendment of section.** WMC 5.16.030, Levy of tax, is amended to read as follows:

5.16.030 Levy of tax.

A. Subject to the remainder of this chapter, a tax of two and one-half percent of the price is levied on all sales, rentals and services made in the city through the earlier of:

1. June 30, 2012; and
2. The date when all bonds issued under Ordinance 01-55(AM) have been retired; and
3. A tax of two percent of the price is levied on all sales, rentals and services made in the city thereafter.

**B. The authority of the city to levy a sales tax under subsection A of this section shall expire upon approval by the council of a property tax levy at a rate exceeding two mills.**

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**Bold and underline added.** [CAPS AND BRACKETS, DELETED.]



**CITY OF WASILLA  
LEGISLATION STAFF REPORT**

**RE: Ordinance Serial No. 08-28: AMENDING WMC 5.16.030, LEVY OF TAX, TO PROVIDE THAT THE AUTHORITY OF THE CITY TO LEVY A SALES TAX WILL EXPIRE IF THE CITY LEVIES A PROPERTY TAX EXCEEDING TWO MILLS.**

Agenda of: June 9, 2009  
Originator: Mayor Dianne M. Keller

Date: May 28, 2008

Route to:	Department	Signature/Date
X	Finance, MIS Director, Purchasing	<i>Chris Doleano CFO</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>Mary Jo Godes</i>
X	City Clerk	<i>Ronnie</i>

**REVIEWED BY MAYOR DIANNE M. KELLER:** \_\_\_\_\_

**FISCAL IMPACT:**  yes\$ or  no      Funds Available  yes  no

Account name/number:

Attachments: Proposed Ordinance; Resolution Serial Nos. WR 92-38 and WR 92-39(AM)

**SUMMARY STATEMENT:**

On August 10, 1996, the City Council passed Resolution Serial No. WR 92-38 to support a 2% city sales tax. The resolution stated that the sales tax was first to be appropriated to fund a police department and the remaining tax to be appropriated through the budget process.

The specific language in Resolution Serial No. WR 92-38 that was discussed read, "Shall the City of Wasilla be authorized to levy a maximum 2% sales tax on retail sales, services and rentals within the City of Wasilla effective January 1, 1993, and *cap the property tax mill rate at 2 mills, and...*"

The language for Resolution Serial No. WR 32-38 was amended to read, "Do you desire the City Council to establish a City Police Department to be funded with a sales tax?" The change in the language was made because one elected body can not bind the action of a future elected body.

Throughout the public education process as to why the voters of Wasilla should approve the collection of a sales tax, discussions centered around capping the property mill rate at 2 mills if the sales tax was adopted. A "promise to cap" the mill rate at 2 mills was made verbally by many on the sales tax committee and many of the voters in 1992 assumed the mill rate could be capped hence the outcome of the vote.

This question was passed by the voters of Wasilla on October 6, 1992, with 543 individuals voting yes to the question while 482 voted no; a close vote which I believe was approved because many thought the mill rate would be capped.

Unfortunately, the elected body did not continue to seek ways to keep the “promise” of capping the mill rate. I have worked with Tom Klinkner to identify a solution that can be codified that will not bind future elected officials *and* restore faith with the voters of Wasilla on this issue.

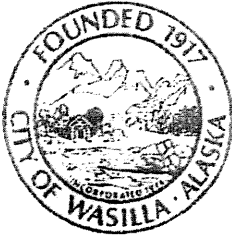
By amending WMC 5.16.030 and adding section B to read, **“The authority of the city to levy a sales tax under subsection A of this section shall expire upon approval of the council of a property tax levy at a rate exceeding two mills.”**

As stated above, if this code amendment is approved it will not bind elected officials for future actions. It will however, eliminate the sales tax *if* they chose to set a mill rate that exceeds two mills. With efficient and effective management of city operations *and* the continuation of a healthy and robust economic environment within city limits the city can operate without increasing the mill rate over 2 mills.

A future Council may chose to eliminate this amendment, however, it would require a public hearing that would notify the public about their considered action and allow for public input prior to a decision being made.

I ask that you strongly consider voting yes to the amendment of our code and help to keep the “promise” that was made so many years ago. If not, I am sure that the public will be interested to hear your reasons why you do not support this amendment.

Mayor Dianne M. Keller



**CITY OF WASILLA**

290 E. HERNING AVE.  
WASILLA, ALASKA 99654-7091  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

Requested by: Administration  
Prepared by: Administration

RESOLUTION NO. WR 92-39 (Amended)

A RESOLUTION OF THE CITY OF WASILLA, ALASKA, CITY COUNCIL DIRECTING THE CITY CLERK TO PLACE AN ADVISORY VOTE QUESTION ON THE BALLOT FOR THE REGULAR ELECTION ON OCTOBER 6, 1992.

WHEREAS, the Wasilla City Council has directed that a vote be taken on the question of the City of Wasilla enacting a sales tax, and

WHEREAS, in the event that a sales tax is enacted, the City Council wishes to determine if the majority of voters want the City to establish a Police Department.

NOW THEREFORE BE IT RESOLVED that the Wasilla City Council directs the City Clerk to place the following advisory question on the ballot for the October 6, 1992 election:

"Do you desire the City Council to establish a City Police Department to be funded with a sales tax?"

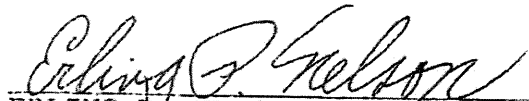
YES \_\_\_\_\_ NO \_\_\_\_\_

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 10th day of August, 1992.

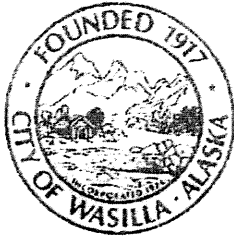
APPROVED:

  
\_\_\_\_\_  
JOHN C. STEIN, Mayor

ATTEST:

  
\_\_\_\_\_  
ERLING P. NELSON, CMC  
City Clerk

(SEAL)



**CITY OF WASILLA**

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

PHONE: (907) 373-9050

FAX: (907) 373-0788

**RESOLUTION NO. WR92-38**

A RESOLUTION OF THE WASILLA, ALASKA CITY COUNCIL DIRECTING THE CITY CLERK TO PLACE A SALES TAX PROPOSITION ON THE BALLOT FOR THE REGULAR ELECTION ON OCTOBER 6, 1992.

WHEREAS, Sales Tax Ordinance Serial No. 92-29 is under consideration by the Council, and

WHEREAS, the electorate of the City of Wasilla must approve the levy of a sales tax;

NOW THEREFORE BE IT RESOLVED that the Wasilla City Council directs the City Clerk to place the following question on the ballot for the October 6, 1992 election.

City of Wasilla 2% Sales Tax and Property Tax Cap

"Shall the City of Wasilla be authorized to levy a maximum 2% sales tax on retail sales, services and rentals within the City of Wasilla effective January 1, 1993 and cap the property tax mill rate at 2 mills; AND

Use of Tax for Police

Shall the sales tax first be appropriated to fund a police department if the advisory proposition is approved and the remaining tax be appropriated through the ordinary public budget process."

YES \_\_\_\_\_ NO \_\_\_\_\_

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 10th day of August, 1992.

APPROVED:

JOHN C. STEIN, Mayor

ATTEST:

ERLING P. NELSON, CMC  
Clerk

(SEAL)