

Code Ordinance

By: Mayor Bert Cottle
Introduced: January 11, 2016
Public Hearing: January 25, 2016
Adopted: January 25, 2016
Vote: Burney, Graham, O'Barr, Wall, Wilson in favor
Sullivan-Leonard absent

**City of Wasilla
Ordinance Serial No. 16-04**

An ordinance of the Wasilla City Council amending Wasilla Municipal Code 5.16.030, 5.16.100 and 5.16.210 to decrease the rate of the City sales tax by one percent (1%) to two percent (2%) beginning on January 1, 2016.

WHEREAS, the City Council of the City of Wasilla (the "City") finds that the City has satisfied the requirements set forth of Ordinance Serial No. 13-04 by achieving \$15 million dollars for a new library facility; and

WHEREAS, it has been determined that full funding of \$15 million dollars through sales tax collections and other sources has been received or is secured at December 31, 2015; and

WHEREAS, it has been determined through voter initiative not to continue the three percent (3%) sales tax rate once full funding was obtained; and

WHEREAS, the City Council deems it necessary to decrease the rate of the City sales tax by one percent (1%) to two percent (2%) effective January 1, 2016.

* **Section 1. Classification.** Sections 1 through 4 of this ordinance are of a general and permanent nature and shall become part of the city code.

* **Section 2. Amendment of section.** WMC 5.16.030, Sales Tax – 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 three~~ percent of the price is levied on all sales, rentals and services made in the city. ~~until December 31, 2016 or until \$15,000,000 (fifteen million dollars) is available through a combination of sales tax collections and library funding from other organizations and sources, including the State of Alaska, whichever is earlier; and a tax of two percent of the price is levied on all sales, rentals and services made in the city thereafter.~~

* **Section 3. Amendment of section.** WMC 5.16.100.B.2, Sales Tax – Collection of sales tax – Addition and separate statement; Exceptions, is amended to read as follows:

Bold and underline, added. ~~Strikethrough, deleted~~

2. The amount of sales tax to be added to the price of a sale, rental or service shall be determined in accordance with the following schedule:

Price of sale, Rental or service	Tax
Under \$0.25 \$0.15	None
<u>\$0.25 through \$0.74</u> \$0.16 through \$0.49	\$.01
<u>\$0.75 through \$1.24</u> \$0.50 through \$0.83	\$.02
<u>\$1.25 through \$1.74</u> \$0.84 through \$1.16	\$.03
<u>\$1.75 through \$2.24</u> \$1.17 through \$1.49	\$.04
<u>\$2.25 through \$2.74</u> \$1.50 through \$1.83	\$.05
<u>\$2.75 through \$3.24</u> \$1.84 through \$2.16	\$.06
<u>\$3.25 through \$3.74</u> \$2.17 through \$2.49	\$.07
<u>\$3.75 through \$4.24</u> \$2.50 through \$2.83	\$.08
<u>\$4.25 through \$4.74</u> \$2.84 through \$3.16	\$.09
<u>\$4.75 through \$5.24</u> \$3.17 through \$3.49	\$.10
Over \$5.25 \$3.50, continue on same scale up to five hundred dollars (\$500.00).	

* **Section 4. Amendment of section.** WMC 5.16.210, Property tax limit - Use of sales tax, is amended to read as follows:

5.16.210 Property tax limit - Use of sales tax.

- A. Property Tax Limitation. The ~~two~~ **three** percent city sales tax levy is conditioned on the city property tax levy being limited to a maximum of two mills. ~~The three percent tax will be levied until December 31, 2016 or until \$15,000,000 (fifteen million dollars) is collected, whichever is earlier and will revert to two percent of the price is levied on all sales, rentals and services made in the city thereafter.~~
- B. ~~Allocation of sales tax proceeds. Sales tax collected under Section 5.16.030 shall be allocated as follows:~~ **Use of Sales Tax Proceeds. The two percent city sales tax levy is on the condition that sales tax first be**

Bold and underline, added. ~~Strikethrough, deleted~~

appropriated to fund a police department and the remaining tax be appropriated through the ordinary public budget process.

1. ~~One third of the sales tax collected under Section 5.16.030 shall be allocated to a special account restricted to fund the construction of and equipping the new Wasilla Public Library.~~
2. ~~Two thirds of the sales tax collected under Section 5.16.030 shall be allocated to the general fund to be appropriated as determined by the council.~~

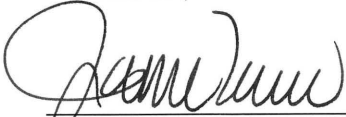
Section 5. Effective date. Sections 1 through 4 of this ordinance shall become effective on January 1, 2016.

ADOPTED by the Wasilla City Council on January 25, 2016.



BERT L. COTTLE, Mayor

ATTEST: ,



JAMIE NEWMAN, MMC, City Clerk

[SEAL]

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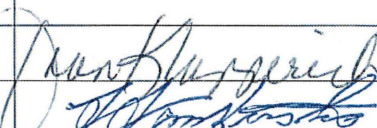
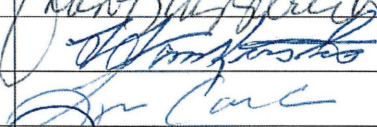
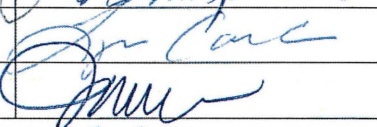
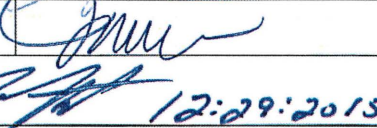
CITY COUNCIL LEGISLATION STAFF REPORT

Ordinance Serial No. 16-04: An ordinance of the Wasilla City Council amending Wasilla Municipal Code 5.16.030, 5.16.100 and 5.16.210 to decrease the rate of the City sales tax by one percent (1%) to two percent (2%) beginning on January 1, 2016.

Originator: Troy Tankersley, Finance Director

Date: December 16, 2015

Agenda of: January 11, 2016

Route to:	Department Head	Signature	Date
	Chief of Police		
	Public Works Director		
	Recreation & Cultural Services Director		12-28-15
X	Finance Director		12-18-15
X	Deputy Administrator		12/28/15
X	City Clerk		12/28/15

Reviewed by Mayor Bert L. Cottle:

 12:29:2015

Fiscal Impact: yes or no decrease of approximately \$6.5 million annual revenue

Account name/number:

Attachments: Ordinance Serial No. 16-04 (3 pages)

Summary Statement: Through passage of Ordinance 13-04 and by voter approval, the City adopted a 3% sales tax rate whereby, 1% of the sales tax collected was to fund the capital project of a "New Library" until December 31, 2016 or \$15 million dollars, whichever came first. It is now known that at December 31, 2015, \$15 million dollars will be collected through sales tax collections and other sources (Friends of Wasilla Public Library, Rasmuson Foundation and State of Alaska).

The Finance Department has included notices of the sales tax rate change from 3% to 2% effective January 1, 2016. These notices were submitted to businesses through individual mailings, attachments to sales tax reports, phone calls to large box stores and publications in the Frontiersman.

Staff Recommendation: Introduce and set for public hearing Ordinance Serial No. 16-04.