



CITY OF WASILLA

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

MEMORANDUM 92-29

To: Council
From: Mayor
Date: September 3, 1992
Re: Police/Sales Tax Information Program

Direction from Council was to develop a fair presentation of facts about the related issues of police and sales tax.

One of the most straightforward methods is to simply make the facts widely available. Therefore, summaries of the Police Conceptual Design and the sales tax ordinance will be disseminated in hard copy, newspaper advertisements and on KMBQ radio. Full copies will also be made readily available.

The ballot propositions will similarly be published with commentary emphasizing and defining the language.

John C. Stein, Mayor

Enclosure: Police Design Advertisement
Sales Tax Advertisement



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SALES TAX/TAX CAP - POLICE BALLOT PROPOSITIONS

INFORMATION NOTICE

The October 6 City ballot will include two propositions with far-reaching impact. One is to authorize a 2% sales tax conditioned on a 2 mill property tax cap. Another will ask if a police department should be established. These notes are to help explain the ballot propositions.

TEXT OF OFFICIAL BALLOT

NOTES AND EXPLANATION

**Proposition No. 3
City of Wasilla 2% Sales Tax
and Property Tax Cap**

Title

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 levy at
2 mills and

Applies within city limits only

Limits Council taxing authority to 2%. Voters must
approve any change.

Tax paid by purchasers at time of sale. See separate
tax regulations in Ordinance 92-29

Tax collections begin January 1 and are expected to
total \$2,000,000 per year.

Proposition limits just City property tax levy to
2 mills or about half of the present 4.2 mill levy.
Borough and fire service tax levies are not
affected. Property tax revenue to the City would drop
from \$890,000 to \$420,000 per year.

Only voters can change tax cap.

USE OF TAX FOR POLICE

Subheading

Shall the sales tax first be
appropriated to fund a police department
if the advisory proposition is approved

This section confirms that the tax will be used for
police department if the separate police advisory
proposition is approved. Police are expected to
cost about \$1,000,000. See separate information on
police conceptual design.

and the remaining tax be appropriated
the ordinary public budget process?

Yes

No

Any revenue left over will be budgeted through
the usual public hearing and four-week ordinance
adoption process. Uses can be for any purposes
for which the City has powers including roads,
paving, trails and Library.

Your vote.

ADVISORY PROPOSITION NO. 1

Do you desire the City Council to
establish a police department to be
funded by a sales tax?

Yes

No

Official Title

If the sales tax passes, do you want a police
department? The sales tax will more than cover
the \$1,000,000 police cost. See separate
information on police department conceptual
design.

Your vote.

John C. Stein, Mayor



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SALES TAX REGULATION ORDINANCE 92-29 INFORMATION NOTICE

If voters approve the October 6 ballot proposition authorizing a 2% sales tax/2 mill property tax cap the City proposes to adopt Ordinance 92-29 (Substitute) to implement the tax. A summary of the proposed ordinance follows.

Authority Alaska Statutes (19.45.700...) authorize the City to levy and collect a sales tax.

Definitions: Terms specific to the ordinance are defined including retail sale, person, sales price, services and seller.

Tax Levied - Rate: A 2% tax is levied on all retail sales, rentals and services made within the City.

Maximum Tax: Tax shall be applied only to the first \$500 of separate sales totaling a maximum tax of \$10.

Examples of Taxed Transactions: Illustrative examples include but are not limited to: rentals of personal property such as tools, automobiles, equipment; monthly utility bills for gas, electric, telephone, water sewer; taxicab and cars for hire; printing; hotel, motel and other room rentals of less than 30 days; food, grocery, beverage, restaurant meals; advertising and advertising agencies; vending machines, pull tabs, self-service laundry, coin-operated gaming devices; tickets of admission to sports or entertainment events; material for improvements to real estate; services of drycleaners, garages beauty shops; sales of motor fuels and lubricants; services of lawyers, accountants, carpenters, painters, photographers, mechanics and electricians.

Exemptions: The sales tax shall not apply to: casual sales not in the course of business; insurance or guaranty bonds; school bus transportation; buyers or sellers who are 501(c)3,4 IRS exempt organizations; public school food service; state or federally exempt sales; direct carrier sales of periodicals and newspapers; sales to U. S., state and local governments; dues or fees to clubs or unions; real estate sales except commissions; sales of school and charity event tickets; interstate fares; sales of food to cafes and restaurants for resale; maximum tax for original construction of buildings is \$10; sales to orbital and space propulsion facility (state mandated); foods purchased with food stamps; residential rents except hotel/motel; cemetery, mortuary services; child care, pre-school and baby sitting; health care services and supplies; mail order sales.

Special Collection for Building Construction: Tax limited to \$10.00. Certificate required for exemption.

Seller Accountability: Collected taxes belong to City. Seller is accountable for tax monies. Collection can be enforced by civil action.

Tax Returns - Contents - Penalty for Delinquency: Returns are due by 20th of following month on forms provided by City with remittance of collected tax. Timely returns earn a 2% discount on tax collected up to \$100 per return. Delinquent returns subject to 5% interest from date of delinquency.

Information to be Confidential: Returns are not subject to public inspection and information may not be released to public except names and addresses of business license holders and amounts over 30 days delinquent. Info may be used for statistical reports.

Tax Records - Final Tax Return: Businesses shall keep pertinent records and make them available for City inspection. Return required even if no tax due. If business sold or disposed of notice to City required within 15 days and final return submitted.

Collection Upon Sales: Tax to be paid by the buyer and collected by seller. Tax to be shown separately on invoices and sales slips. Tax is debt from buyer to seller and is recoverable at law. Seller reports tax on same basis as federal income tax either accrual or cash. Bad debts may be claimed within two years.

City Mayor/Manager Regulation Promulgation Authority: Administrative regulations subject to Council revision or repeal.

Business License - Required: City may require security to insure full and prompt collection of sales tax.

Public Statement of Tax Required - Exception for Coin-Operated Machines: Seller shall separately state tax and not directly or indirectly refund or absorb tax. Revenue from coin-operated machines shall be reported in gross on a monthly basis.

Liability for Payment - Certificate of Protest: Seller shall determine if sale is exempt. If incorrect, seller is liable for tax. If buyer believes that sale is exempt then buyer shall fill out certificate of protest form and deliver to seller with disputed tax. Mayor/Manager will rule on protest.

Tax Return - Extension of Time: Mayor/Manager may grant extension of time to avert undue hardships.

Estimated Tax: If City cannot ascertain tax due from seller because of inaccurate or lost books, City can estimate and collect.

Delinquent Taxes - Notice: If return is not sent or return appears to be incorrect, City may notify and set hearing with seller within 15 days.

Delinquent Taxes - Lien: If seller neglects to collect taxes or refuses to pay taxes to City, City has power to lien.

Delinquent Taxes - Foreclosure: City may collect lien through foreclosure of real and personal property of seller within six years.

Certificate of Sale - Real Property: Foreclosure deed conveys property to City.

Violations - Penalty \$200 civil penalty may be applied for each day seller fails to get business license, fails to file tax return and remit taxes, falsifies or misrepresents records, sells while license suspended, fails to allow reasonable inspection of records by City.

Implementation: Ordinance becomes effective January 1, 1993 if voters approve ballot proposition. If a borough-wide ordinance is approved, City tax will be collected in addition to Borough tax and under the rules of the new borough-wide ordinance. Sales tax is conditioned on a 2 mill property tax cap. Sales tax shall first be used for police, then appropriated through the ordinary public budget process.

Notes:

Copies of the complete ordinance are available at Wasilla City Hall.

Public Hearings: August 24, 1992 - 7:00 p.m. - Wasilla City Hall
September 14, 1992 - 7:00 p.m. - Wasilla City Hall
For Council Action: September 28, 1992 - 7:00 p.m. - Wasilla City Hall

Voters must approve City Ballot Proposition #3 at October 6, 1992 City election for ordinance to become effective.

Only voters may change 2% sales tax rate or the 2 mill property tax cap.

City Council may amend other provisions of Ordinance 92-29.

City of Wasilla - John C. Stein, Mayor



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CITY OF WASILLA POLICE CONCEPTUAL DESIGN

NOTICE

On August 24, 1992 the City Council unanimously approved the draft Wasilla Police Department Conceptual Design. As a broad philosophical overview, the design describes the type of department Wasilla can expect if the October 6 ballot propositions on police and sales tax/tax cap pass.

It's 24 points are summarized as follows:

- (1) Mission of best possible crime prevention and law enforcement.
- (2) Cooperative relationships with other public safety agencies.
- (3) Initial staff 9 commissioned officers, chief, clerk - total 11. Minimum coverage one officer 24 hours/365 days.
- (4) Officer qualifications: Academics, police experience, computer literate, good communicators, Alaska experience.
- (5) Personnel to be certified by Alaska Police Standards Council.
- (6) Empathy for and training on issues of minorities.
- (7) Cross training in fire, emergency medical.
- (8) Mutual assistance agreements with Troopers, Palmer Police.
- (9) Conservative uniforms.
- (10) Primary emphasis to be crime prevention, attention to youthful violators, support for school and youth programs.
- (11) Develop written standard operating procedures.
- (12) Initiate Neighborhood Watch, support Crime Stoppers and juvenile court.
- (13) Auxiliary police program to provide extra manpower.
- (14) Emphasize professional staff training and development.
- (15) Utilize up-to-date computer systems to cut record keeping costs.
- (16) Use foot patrols to develop community rapport.
- (17) By invitation, consider expansion into adjacent areas.
- (18) Consider consolidation with present and future police agencies.
- (19) Chief reports to City Mayor/Manager, not Council.
- (20) City is equal opportunity employer and encourages women and minorities.
- (21) Annual police budget reviewed by public and approved by Council.
- (22) Chief selection committee recommends to Mayor/Manager, confirmed by Council.
- (23) Radio dispatch to be by contract with Palmer.
- (24) Officers to be knowledgeable about social programs and make referrals.

Copies of the complete text are available at the Wasilla City Hall, 373-9050.

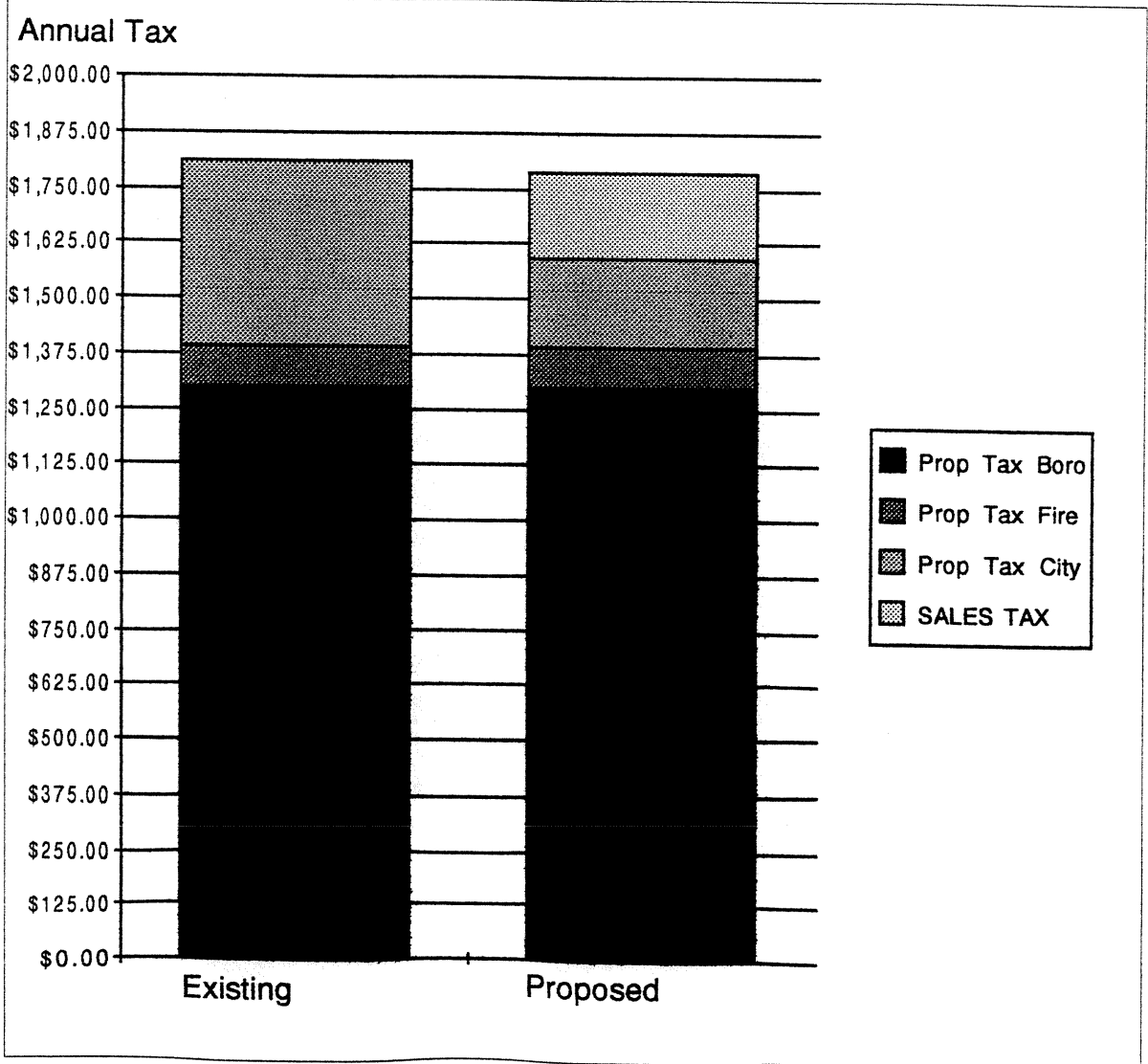
John C. Stein, Mayor

Proposed 2% Sales Tax - 2 Mill Property Tax Cap - Police

Tax Cost - Wasilla Family

Assume Real Estate Taxable Value of \$100,000
and Purchases Subject to Sales tax of \$10,000

Annual Tax Cost	Present Cost	Proposed Cost
	4.2 Mil City Tax No Police	2% Sales Tax 2 Mil Tax Cap Police Dept
Prop Tax Boro	\$1,300.00	\$1,300.00
Prop Tax Fire	\$90.00	\$90.00
Prop Tax City	\$420.00	\$200.00
SALES TAX	\$0.00	\$200.00
TOTAL TAX	\$1,810.00	\$1,790.00



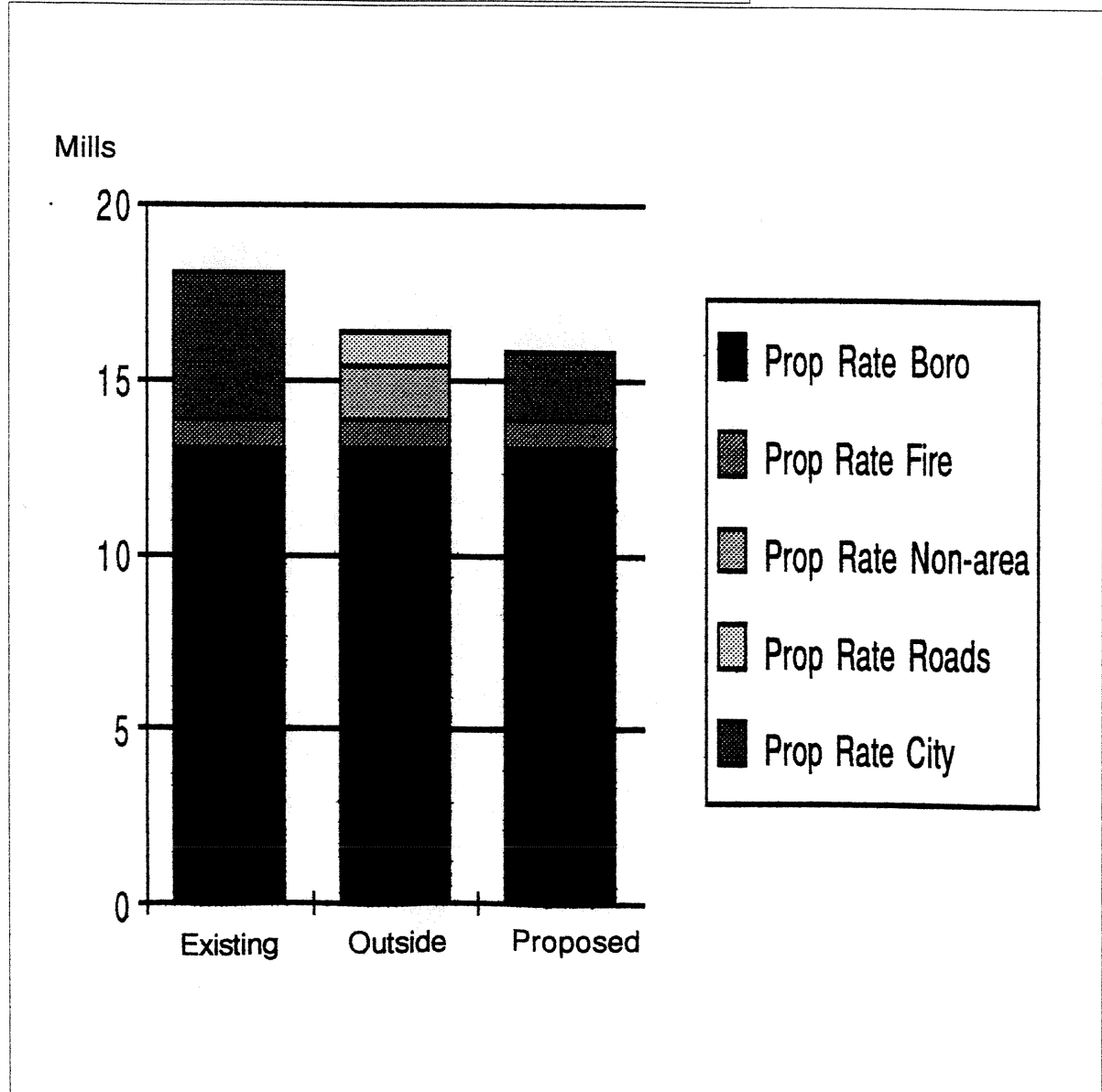
Proposed 2% Sales Tax - 2 Mill Property Tax Cap - Police

Property Tax Rates

Inside and Outside City Limits

Mills (1 mill = 1/1000 of \$1 = \$1 tax per \$1000 value)

Property Tax Rates	Existing Inside City NO POLICE	Outside City	PROPOSED Inside City POLICE
Prop Rate Boro	1.3	1.3	1.3
Prop Rate Fire	0.9	0.9	0.9
Prop Rate Non-area	0	1.46	0
Prop Rate Roads	0	1	0
Prop Rate City	4.2	0	2
TOTAL TAX RATE	18.1	16.36	15.9

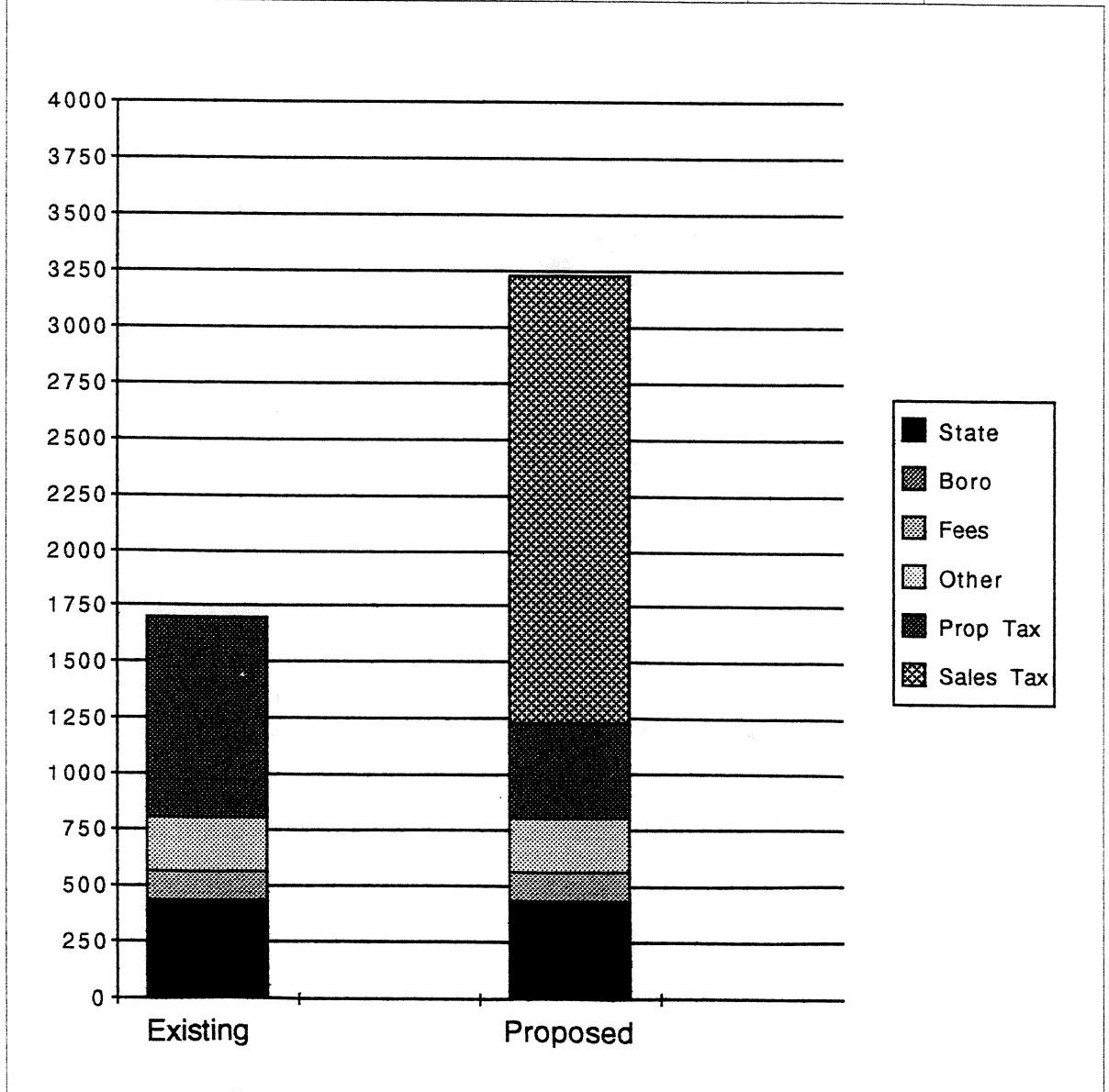


Proposed 2% Sales Tax - 2 Mill Property Tax Cap - Police

City Revenue Sources

Thousands of dollars and Percent

	Existing Thousands \$ No Police	Percent	PROPOSED Thousands \$ Police	Percent
State	423	24.96%	423	13.10%
Boro	16	0.94%	16	0.50%
Fees	131	7.73%	131	4.06%
Other	234	13.81%	234	7.25%
Prop Tax	891	52.57%	425	13.16%
Sales Tax	0	0.00%	2000	61.94%
Total Revenue	1695	100.00%	3229	100.00%



Proposed 2% Sales Tax - 2 Mill Property Tax Cap - Police

City Expenditures

Projected Annual, Thousands of dollars and Percent

	Existing FY93 Thousands \$ No Police	Percent	PROPOSED Thousands \$ Police	Percent
Recreation	15	0.91%	15	0.47%
Planning	30	1.82%	30	0.93%
Property	146	8.85%	146	4.54%
Municipal Services	166	10.06%	166	5.16%
Mayor/Admin	168	10.18%	168	5.23%
Museum	198	12.00%	198	6.16%
Finance	240	14.55%	240	7.47%
Roads	331	20.06%	331	10.30%
Council/Library	401	24.30%	401	12.48%
Police	0	0.00%	1000	31.11%
Other (future)	0	0.00%	434	13.50%
Sales Tax Admin	0	0.00%	100	3.11%
Total Revenue	1650	100.00%	3214	100.00%

