

Vote: Harris, Sullivan-Leonard, Wall, Woodruff in favor and Lovell, Buswell opposed

Election Certified by the Wasilla City Council: October 7, 2013

Vote of Certification of Election: Buswell, Harris, Wall and Woodruff in favor

Sullivan-Leonard absent, Seat A Vacant

**City of Wasilla
Ordinance Serial No. 13-14**

An ordinance of the Wasilla City Council amending Wasilla Municipal Code 5.16.030, 5.16.100 and 5.16.210 to increase the rate of the City sales tax by one percent (1%) to three percent (3%) beginning on January 1, 2014, through 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, to construct and equip a new Wasilla Public Library; and decreasing the rate of sales tax to two percent (2%) thereafter; amending Wasilla Municipal Code 5.16.210 to allocate one percent (1%) of the sales tax increase to a special account to finance the construction of the new Wasilla Public Library; and authorizing the City Clerk to submit the question of such sales tax rate increase to the qualified voters of the City at the October 1, 2013, regular City election; and repealing Ordinance Serial No. 13-08.

WHEREAS, the City Council of the City of Wasilla (the "City") finds that the City requires a new library facility; and

WHEREAS, the City views the construction of a new library facility as necessary and beneficial to the community; and

WHEREAS, the City remains hopeful that the Alaska legislature will provide funding for up to one half the cost of the new library, as allowed by law, but recognizes that such funding was not made available in the last legislative session and remains uncertain, and therefore finds that it is necessary and prudent for the City to be prepared to finance up to 15 million dollars as the City's portion of the construction costs; and

WHEREAS, the current 2% rate of City sales tax is insufficient to fund the construction of the City's new library facility; and

WHEREAS, the City finds that an increase in the rate of sales tax is a more equitable method of raising additional revenue than an increase in property tax, because a sales tax increase will be borne by all resident and non-resident users of the City library; and

WHEREAS, the City deems it necessary to increase the rate of the City sales tax by one percent (1%), and to deposit the resulting additional revenue (1%) in a special account restricted to funding a new library facility;

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WHEREAS, Ordinance Serial No. 13-08 is repealed in its entirety.

* **Section 1. Classification.** Sections 2 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 ~~three~~ **two**-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:

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 \$0.15 0.25	None
\$0.16 through \$0.49 \$0.25 through \$0.74	\$0.01
\$0.50 through \$0.83 \$0.75 through \$1.24	\$0.02
\$0.84 through \$1.16 \$1.25 through \$1.74	\$0.03
\$1.17 through \$1.49 \$1.75 through \$2.24	\$0.04
\$1.50 through \$1.83 \$2.25 through \$2.74	\$0.05
\$1.84 through \$2.16 \$2.75 through \$3.24	\$0.06
\$2.17 through \$2.49 \$3.25 through \$3.74	\$0.07
\$2.50 through \$2.83 \$3.75 through \$4.24	\$0.08
\$2.84 through \$3.16 \$4.25 through \$4.74	\$0.09
\$3.17 through \$3.49	\$0.10

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Over ~~\$3.50~~ \$5.25, 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 ~~three~~ **two** 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 WMC 5.16.030 shall be allocated as follows:** ~~Use of Sales Tax for Police. The two percent city sales tax levy is on the condition that sales tax first be 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 WMC 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 WMC 5.16.030 shall be allocated to the general fund to be appropriated as determined by the council.**

* **Section 5. Ballot proposition.** The City Clerk shall submit the following proposition to the qualified voters of the City at the regular election to be held on October 1, 2013. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

**Proposition No. ____
1% Sales Tax Rate Increase to 3%,
to fund the Construction of the new Wasilla Public Library**

Shall the rate of the City of Wasilla sales tax be increased by one percent (1%) to three percent (3%) beginning on January 1, 2014, through December 31, 2016, or until \$15,000,000 (fifteen million dollars) is collected, whichever is earlier, to construct and equip a new Wasilla Public Library; and the rate of sales tax decreasing to two percent (2%) thereafter? (Ordinance Serial No. 13-14).


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* **Section 6. Form of ballot.** The proposition shall be printed on the regular election ballot. The following words shall be added as appropriate and next to an oval provided for marking the ballot for voting:


Proposition No. _____ Yes ()
No ()

* **Section 7. Effective date.** Sections 1 through 4 of this ordinance shall become effective on January 1, 2014, only if the proposition described in Section 5 is approved by a majority of the qualified voters voting on the proposition at the regular City election on October 1, 2013. The remaining sections of this ordinance shall become effective upon adoption of the Wasilla City Council.

ADOPTED by the Wasilla City Council on June 25, 2013.


6-25-13
BERT L. COTTLE, Deputy Administrator

ATTEST:



KRISTIE SMITHERS, MMC, City Clerk

[SEAL]

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