



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 90-11

FROM: Mayor Stein

DATE: January 18, 1990

RE: Proposed Ordinance 90-05, Sales Tax

Ordinance 90-05 as proposed by Mike Carson is a reiteration of the 1988 sales tax ordinance, with the following changes:

- \* Language is added in Section II that states that the intent of the sales tax is to "eliminate property taxes", and
- \* Senior citizens possessing a city identification card would be exempt from the tax under 6.50.050,X, and
- \* The sales tax becomes effective only upon voter approval of this specific ordinance.

As a housekeeping measure, Section III repeals Ordinance 88-16, the earlier sales tax ordinance. It has been in limbo since voters failed to approve the 1988 2% tax levy proposition.

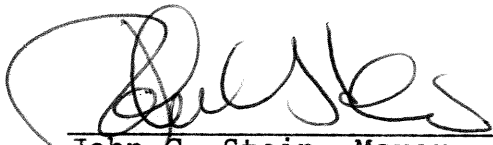
The sales tax levy remains at 2% with a taxable cap per transaction of \$500 value, or a maximum tax of \$10.00.

If the Council's consensus is to move a sales tax proposition forward, adoption of this ordinance and an election is a straight forward process. The alternative, use of a voter initiative, would be more costly and time consuming both for the Clerk's office and for petitioners.

The process to move the sales tax question and the ordinance to the voters is as follows:

- Introduce tax ordinance, set public hearing date
- Hear public testimony
- Adopt tax ordinance
- Pass resolution setting date of election at least 60 days in advance
- Conduct Election
- Implement tax within 60 days of passage

The election may either be a special or regular election. A special election may consider the tax alone or with other issues. The special election would cost about \$1,200. In a regular election, the tax question would be considered along with all other City and Borough propositions and candidates. A special election can be set for any date that meets provisions of the Federal Voting Rights Act. The next regular election is Tuesday, October 2, 1990.



\_\_\_\_\_

John C. Stein, Mayor