



CITY OF WASILLA

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Code Ordinance

ORDINANCE SERIAL NO. 93-05

AN ORDINANCE OF THE CITY OF WASILLA, ALASKA AMENDING CHAPTER 6.50 (SALES TAX) OF THE WASILLA MUNICIPAL CODE.

BE IT ORDAINED AND ENACTED BY THE CITY OF WASILLA, ALASKA AS FOLLOWS:

SECTION I. Classification. This ordinance is of a general and permanent nature and shall become a part of the Wasilla Municipal Code.

SECTION II. Purpose. Whereas, the lawsuit filed December 31, 1992 by S.A.G.E. alleges (in part) that the City has not limited the property tax to 2 mills; and

Whereas, the allegation represents a misunderstanding of fundamental principles of the statutory process by which the annual tax levy (mill rate) on real property is established for a particular calendar year; and

Whereas, public understanding of the lawsuit allegation will be enhanced by amending the sales tax ordinance so as to partially describe the statutory procedure by which the annual tax levy is established; and

Whereas, the amendment will clarify that the tax levy (mill rate) effective for calendar year 1993 is established following the effective date of the sales tax (January 1, 1993); and

Whereas, the amendment is premised upon the statutory procedure established by A.S. 29.45.110 and A.S. 29.45.240; and

Whereas, no tax levy (mill rate) has yet been established for the calendar year beginning 1993, thereby making the allegation of the Complaint (alleging a mill rate in excess of the rate which is a condition of the sales tax) premature; and

Whereas, the travel fares exemption must be clarified to recognize federal exemption of certificated carriers and the delivery of travel services outside the city limits.

NOW, THEREFORE, WMC 6.50 is hereby amended as follows:

SECTION III. Chapter 6.50.230 Implementation is hereby amended as follows: (add underlined, delete [brackets]):

6.50.230 Implementation

B. Property Tax Cap. The 2% City sales tax levy is on the condition that the City property tax be limited to a maximum of 2 mills. Property tax is levied by calendar year based on January 1 assessed values, with the rate of levy to be established before June 15, 1993. The calendar 1993 levy will be set as part of the regular FY94 budget process in the spring of 1993. Therefore, the condition set forth in the first sentence of this section (6.50.230(B) is operative for

(mill rate) to be established on the real property valuation assessments of January 1, 1993, such tax levy not to be established until after January 1, 1993.

6.50.040(C). Examples of Taxed Transactions.

Transportation for hire of persons by common carrier, including motor transportation, taxicab companies and all other means of transportation for hire; subject to exceptions in 6.50.050(L).

6.50.050(L). Exceptions.

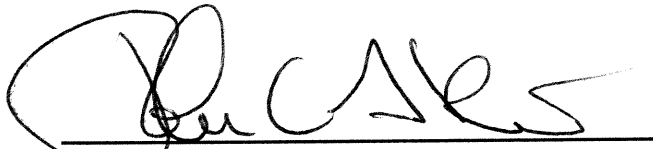
[Interstate air, train and boat fares;] Tickets and service activities related to air, train, boat, cruise line, car rental, bus tour, dinner show, theater and other similar ticketed travel, accommodations or entertainment events where such travel, accommodations or entertainment events occur outside the city limits of Wasilla. Conversely, tickets and ticket agency service activities related to travel, accommodations or entertainment events within the city limits of Wasilla are subject to the sales tax.

SECTION IV. Effective Date. This ordinance becomes effective upon adoption by the Wasilla City Council.

Introduction: 01/11/93

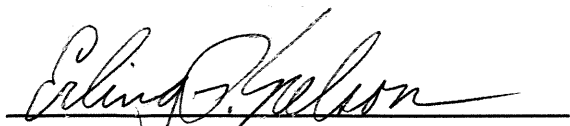
Public Hearing: 01/25/93

ADOPTED by the Council of the City of Wasilla on this 25TH day of JANUARY, 1993.



John C. Stein, Mayor

ATTEST:



Erling P. Nelson
City Clerk