

**CITY OF WASILLA
ORDINANCE SERIAL NO. 01-55(AM)**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$14,700,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF PARK AND RECREATION AND RELATED CAPITAL IMPROVEMENTS IN THE CITY; AMENDING WASILLA MUNICIPAL CODE 5.16.030 AND 5.16.045.B TO INCREASE THE RATE OF THE CITY SALES TAX BY ONE-HALF PERCENT (0.5%) TO TWO AND ONE-HALF PERCENT (2.5%) FROM JULY 1, 2002 THROUGH THE EARLIER OF JUNE 30, 2012, AND THE DATE ON WHICH ALL BONDS AUTHORIZED UNDER THIS ORDINANCE HAVE BEEN RETIRED; AND AUTHORIZING THE CITY TO SUBMIT THE QUESTION OF THE ISSUANCE OF SUCH BONDS AND SUCH SALES TAX RATE INCREASE TO THE QUALIFIED VOTERS OF THE CITY AT A MARCH 5, 2002 SPECIAL ELECTION.

WHEREAS, the City Council of the City of Wasilla (the "City") deems it necessary to make certain capital improvements to the City's park and recreational facilities, and determines that to fund such improvements, general obligation bonds of the City should be authorized, issued and sold; and

WHEREAS, the City Council also deems it necessary to increase the rate of the City sales tax to provide funds to pay part of the debt service on such general obligation bonds, with the increase expiring not later than the date when all of the bonds have been retired; and

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

WHEREAS, under the provisions of AS 29.47.190 a municipality may incur general obligation debt only after a bond authorization ordinance is approved by a majority of those voting on the question at a regular or special election; and

WHEREAS, under the provisions of AS 29.45.700(b) and AS 29.45.670, the City may increase the rate of its sales tax only after an ordinance authorizing the rate increase is approved by a majority of those voting on the question at a regular or special election; and

WHEREAS, the City views the park and recreational facility capital improvements authorized herein as necessary and beneficial to the community.

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the City of Wasilla:

* **Section 1. Classification.** Sections 4 and 5 of this ordinance are of a general and permanent nature and shall become a part of the Wasilla Municipal Code. The remainder of this ordinance is a non-code ordinance.

* **Section 2. Capital improvements.** It is hereby determined to be for a public purpose and in the public interest of the City of Wasilla (the "City") to incur general obligation bonded indebtedness in an amount not to exceed Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000), for the purpose of paying the cost of planning, designing, acquiring property for, equipping and constructing park and recreational facility and related capital improvements in the City, including without limitation a multipurpose sports complex.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

* **Section 3. Authorization of bonds.** The City is authorized to borrow the sum of not to exceed Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000) to finance the capital improvements described in Section 2, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

* **Section 4. Amendment of section.** WMC 5.16.030, Levy of tax, is hereby amended to read as follows:

5.16.030 Levy of tax

Subject to the remainder of this chapter, a[A] tax of two **and one-half** percent of the price is levied on all sales, rentals and services made in the city **through the earlier of (i) June 30, 2012, and (ii) the date when all bonds issued under Ordinance Serial No. 01-55(AM) have been retired; and a tax of two percent of the price is levied on all sales, rentals and services made in the city thereafter**], subject to the remainder of this chapter].

* **Section 5. Amendment of section.** WMC 5.16.045.B, Rules applicable to particular businesses or occupations - Building construction by property owner, is hereby amended to read as follows:

5.16.045 Rules applicable to particular businesses or occupations

B. Building construction by property owner. When work is performed on real

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property by the owner of the property, employees of the owner of the property, or the owner acting as the owner's own contractor, the maximum sales tax on all materials, supplies and services purchased by the owner and incorporated in the work is equal to \$500 multiplied by the sales tax rate in effect when the tax is due under this subsection[\$10]. Before making any purchases that are to be incorporated into the work, the owner may pay the maximum sales tax to the city. Upon such payment, the city shall issue a building exemption certificate showing the payment of the maximum sales tax and specifying the project, its location, and the owner's name. The certificate shall be effective for the lesser of the duration of the work and one year, and is not transferable. By exhibiting a valid building exemption certificate when purchasing materials, supplies or services to be incorporated in the work, the owner will be exempt from paying sales tax, and the seller will be exempt from collecting sales tax on the transaction.

* **Section 6. Ballot proposition** The City shall submit the following proposition to the qualified voters of the City at a special election to be held on March 5, 2002. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. ____

PARK AND RECREATION FACILITY AND
RELATED CAPITAL IMPROVEMENT BONDS;
0.5% SALES TAX RATE INCREASE TO 2.5%

Shall the City of Wasilla incur debt and issue general

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obligation bonds in the principal amount of not to exceed Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000) to pay the cost of planning, designing, acquiring property for, equipping and constructing park and recreation facility and related capital improvements in the City, including without limitation a multipurpose sports complex; and shall the rate of the City sales tax be increased by one-half percent (0.5%) to two and one-half percent (2.5%) from July 1, 2002 through the earlier of (i) June 30, 2012 and (ii) the date when all bonds authorized under this proposition have been retired, with the rate decreasing to two percent (2.0%) thereafter?

The bonds shall be secured by a pledge of the full faith and credit of the City. (Ordinance Serial No. 01-55(AM)).

* **Section 7. Form of ballot** The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to a square provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. _____ Yes ()

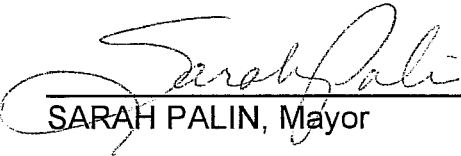
No ()

* **Section 8. Effective date** Sections 2 and 3 of this ordinance shall become effective only if the proposition described in Section 6 is approved by a majority of the qualified voters voting on the proposition at the special City election on March 5, 2002.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

Sections 4 and 5 of this ordinance shall become effective on July 1, 2002, but only if the proposition described in Section 6 is approved by a majority of the qualified voters voting on the proposition at the special City election on March 5, 2002. The remaining sections of this ordinance shall become effective upon passage and approval.

ADOPTED by the Wasilla City Council, Alaska, on December 10, 2001.


SARAH PALIN, Mayor

ATTEST:


KRISTIE L. VANGORDER, CMC
City Clerk

[SEAL]

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U.S. Department of Justice

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Civil Rights Division

APR 29 2002

CLERK'S OFFICE
CITY OF WASILLA

JDR:MJP:ALP:nj
DJ 166-012-3
2002-0918

Voting Section
950 Pennsylvania Avenue, Room 7254
Washington, DC 20530

April 22, 2002

Ms. Kristie L. VanGorder
City Clerk
290 East Herning Avenue
Wasilla, Alaska 99654-7091

Dear Ms. VanGorder:

This refers to the procedures for conducting the March 5, 2002, special bond and tax election for the City of Wasilla in the Matanuska-Susitna Borough, Alaska, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act, 42 U.S.C. 1973c. We received your submission on February 20, 2002.

The Attorney General does not interpose any objection to the specified change. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the change. See the Procedures for the Administration of Section 5 (28 C.F.R. 51.41).

Sincerely,

For Joseph D. Rich
Chief, Voting Section