

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2023-15

**BALLOT PROPOSITION OCTOBER 3, 2023**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA PROPOSING TO AMEND TITLE 4 “REVENUE AND FINANCE”, CHAPTER 4.09 “SALES TAX”, OF THE SITKA GENERAL CODE BY ADDING A SEASONAL SALES TAX INCREASE OF ONE ADDITIONAL PERCENTAGE POINT IN SECTION 4.09.010 “LEVY OF SALES TAX” AND ADDING SECTION 4.09.120 “EXEMPTION FROM SEASONAL SALES TAX INCREASE”; AND, SUBMITTING THE QUESTION OF SUCH AN AMENDMENT TO THE QUALIFIED VOTERS AT THE REGULAR ELECTION ON OCTOBER 3, 2023**

**PASSED at the MUNICIPAL ELECTION on October 3, 2023**

**YES - 1058**

**NO - 594**

**1. CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

**2. SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

**3. PURPOSE.** The purpose of this ordinance is to propose the adoption of a seasonal sales tax increase starting in 2024 of one additional percentage point, from five percent to six percent, from April 1 through September 30 of each year, and dedicate the revenue generated to fund either directly or by paying debt service on the maintenance, repair, replacement, and/or construction of school building infrastructure.

**4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4, entitled “Revenue and Finance,” be amended by adding a seasonal sales tax increase of one additional percentage point to Chapter 4.09, entitled “Sales Tax”, Section 4.09.010, entitled “Levy of sales tax”, and adding Section 4.09.120, entitled “Exemption from seasonal sales tax increase”, to read as follows (deleted language stricken, new language underlined):

**Title 4  
FINANCE AND REVENUE**

**Chapters:**

**\* \* \***

**4.09 Sales Tax**

**\* \* \***

**Chapter 4.09**

## SALES TAX

Sections:

4.09.010 Levy of sales tax.

\* \* \*

4.09.120 Exemption from seasonal sales tax increase.

\* \* \*

### **4.09.010 Levy of sales tax.**

A. There is levied a consumer's sales tax on sales, rents, and leases made in the city and borough of Sitka. This tax applies to sales, rentals, and leases of tangible personal property; sales of services sold within the city and borough of Sitka; sales of services performed wholly or partially within the city and borough of Sitka when the provision of such services originates or terminates within the city and borough of Sitka; and rentals and leases of real property located within the city and borough of Sitka. Notwithstanding any provision of law, air or sea charter services, provided a person or entity in the business of providing such charter services, are exempt from sales tax by the city and borough of Sitka if the charter does not commence and end within the city and borough of Sitka.

B. The rate of levy of the sales tax levied under subsection A of this section is five percent on sales made during the months of October, November, December, January, February, and March. The rate of levy of the sales tax levied under subsection A of this section is six percent on sales made during the months of April, May, June, July, August, and September. The revenue generated by the one additional percentage point shall be dedicated to fund either directly or by paying debt service on the maintenance, repair, replacement and/or construction of school building infrastructure.

\* \* \*

### **4.09.120 Exemption from seasonal sales tax increase.**

The following retail sales are exempt from any increase in the sales tax imposed on a seasonal basis, including the one additional percentage point increase for the months of April, May, June, July, August, and September set out in Section 4.09.010(B):

A. Rentals of Real Property. Rent paid as consideration for the use of real property either for thirty or more consecutive days or an entire calendar month by a person or persons of a room, set of rooms, structure, or suite is exempt from the one additional percentage point increase for the months of April, May, June, July, August and September. This exemption does not apply to any transaction taxable under the transient lodging tax set out in Chapter 4.24.

\* \* \*

**5. BALLOT PROPOSITION.** The following question shall be placed on the ballot at the regular election on October 3, 2023:

Shall the Sitka General Code be amended to adopt a seasonal sales tax increase starting in 2024 of one additional percentage point, from five percent to six percent, from April 1 through September 30 of each year, and dedicate the revenue generated to fund either directly or by paying debt service on the maintenance, repair, replacement, and/or construction of school building infrastructure?

Yes

No

Informational: See ordinance 2023-15. A seasonal sales tax of six percent, previously in effect, ended on June 30, 2023.

**6. EFFECTIVE DATE.** This ordinance shall become effective April 1, 2024, upon certification of the October 3, 2023, election results that show a majority of qualified voters approved the enactment.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 25th day of July, 2023.



Steven Eisenbeisz, Mayor

**ATTEST:**



Sara Peterson  
Municipal Clerk

1<sup>st</sup> reading: 7/11/2023

2<sup>nd</sup> and final reading: 7/25/2023

Sponsors: Mosher / Eisenbeisz