

1 IN THE HOUSE

*Alaska*

4 BY MR. HENDRICKSON

2 HOUSE BILL NO. 38

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to empower Second Class Cities,  
7 pursuant to referendums, to levy sales  
8 taxes; amending subsection Sixth of  
9 Section 16-2-5 ACLA 1949; validating and  
10 confirming sales tax ordinances enacted  
11 prior to the effective date of this Act;  
12 and declaring an emergency."

13 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

14 Section 1. Subsection Sixth of Section 16-2-5 ACLA 1949  
15 is amended to read as follows:

16 Sixth: (a) (TAXES) GENERAL TAX FOR SCHOOL AND  
17 MUNICIPAL PURPOSES. To assess, levy and collect a general  
18 tax for school and municipal purposes, not to exceed (two) percent  
19 per centum of the assessed valuation upon all real and  
20 personal property and to declare such tax with penalty a  
21 lien upon such property, and to enforce the collection of  
22 such lien by foreclosure, levy, distress and sale, in the  
23 manner provided for the collection of taxes in municipal  
24 corporations of the first class, and all the provisions of  
25 the laws of the Territory relative to the levy and  
26 collection of taxes in cities of the first class shall apply  
27 with full force and effect to incorporated cities of the  
28 second class; Provided, however, that all property belonging  
29 to the municipality, all property used exclusively for

1 religious, educational or charitable purposes, and the  
2 household furniture of the head of a family or householder,  
3 not exceeding Two Hundred Dollars (\$200.00) in value, shall  
4 be exempt from such tax; Provided, further, that the laws  
5 exempting certain property from levy and sale on execution  
6 shall not apply to said taxes or the collection of the same.

7 (b) CONSUMER'S SALES TAX. To levy and collect a  
8 consumer's sales tax not exceeding two percentum of the  
9 sales price on all retail sales, and services made within  
10 the municipality; provided, that the consent of the  
11 qualified voters of the municipality is first obtained  
12 through a referendum vote at a general or special election,  
13 upon ballots which clearly present the proposition as to  
14 whether such sales tax shall be authorized within the  
15 municipality. The ballot shall also set forth whether the  
16 tax is to be levied for general revenue for the municipality  
17 or for a special purpose, and, if for a special purpose,  
18 same shall be specified on the ballot. If <sup>seventy</sup> ~~fifty-five~~  
19 percent ~~(55%)~~ or more of the votes cast in said referendum  
20 are in the affirmative, the council may thereafter enact  
21 such a tax in the nature of a levy upon buyers but with  
22 imposition upon sellers of the obligation of collecting  
23 same at the time of sale or at time of collection with  
24 respect to credit transactions, and transmit same to the  
25 municipality. The sole purpose of this subsection is to  
26 enable cities, with the consent of the residents thereof,  
27 to impose sales taxes, and that although such method of  
28 taxation be established within a city, the council may at  
29 any time abandon same. It is also the intent that if

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consent to such tax be obtained for a special purpose, the proceeds of the tax may not be used for any other purpose unless with consent of the voters at another referendum.

The term "sales and services" as used herein shall include, without limitation, all rents.

Section 2.3 All sales tax ordinances, otherwise valid, which have been enacted by cities of the second class prior to the effective date of this Act under the provisions of subsection (b) of Chapter 38, Session Laws of Alaska 1949, are hereby validated and confirmed.

Section 2.4 An emergency is hereby declared to exist, and this Act shall take effect immediately upon its passage and approval.

*Section 2. No. amount sales tax proposed shall be accounted to the voters and then once in every twelve months.*