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Alaska

IN THE HOUSE

BY MR. HENDRICKSON

HOUSE BILL NO. ~~325~~ ⁴

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

TWENTY-FIRST SESSION

A BILL

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

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

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

Sixth: (a) (TAXES) GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES. To assess, levy and collect a general tax for school and municipal purposes, not to exceed ^(two) ~~three~~ per centum of the assessed valuation upon all real and personal property and to declare such tax with penalty a lien upon such property, and to enforce the collection of such lien by foreclosure, levy, distress and sale, in the manner provided for the collection of taxes in municipal corporations of the first class, and all the provisions of the laws of the Territory relative to the levy and collection of taxes in cities of the first class shall apply with full force and effect to incorporated cities of the second class; Provided, however, that all property belonging 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} 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 ^{a majority} ~~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 7.3 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 7.4 An emergency is hereby declared to exist, and
this Act shall take effect immediately upon its passage and
approval.

*Section 2. No such sales tax proposition
shall be presented to the voters
more than once in any twelve month period.*