

Introduced: 2/26/64
Referred: Local Govern-
ment

1 IN THE HOUSE BY MESSRS. HAMMOND AND RADER

2 HOUSE BILL NO. 354

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to sales and use taxes in
7 first and second class cities."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.10.357 is repealed and re-enacted to read:

10 Sec. 29.10.357. SALES AND USE TAXES. (a) The
11 council may levy and collect a sales tax on all sales, on
12 all rents and on all services within the municipality. The
13 sales tax may be levied and collected on any one or more of
14 these tax sources at the option of the council.

15 (b) The council may also levy and collect a use tax
16 on the use of any property within the municipality which
17 is purchased outside the municipality, and upon which a
18 sales tax would have been levied if the purchase had
19 occurred within the municipality.

20 (c) The council shall determine prior to referendum
21 the per cent of the sales or use tax to be levied.

22 (d) Nothing in this section prohibits a political sub-
23 division that was collecting a sales tax on rents on April 7,
24 1959, from continuing to collect the tax.

25 * Sec. 2. AS 29.10.360 is amended to read:

26 Sec. 29.10.360. REFERENDUM. Before a sales or use
27 tax under sec. 357 of this chapter is levied, consent of the
28 qualified voters of the municipality shall first be obtained
29 through a referendum vote at a general or special election

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upon ballots which clearly present the proposition whether or not a sales or use tax shall be authorized within the municipality. The ballot shall [ALSO] set forth whether the tax is to be levied upon the buyer or seller and whether the buyer or seller shall be obligated to collect the tax and transmit it to the city. The ballot shall also set forth the per cent contemplated and whether the tax is to be levied for general revenue for the municipality or for a special purpose, and, if for a special purpose, it shall be specified on the ballot. A sales or use tax referendum may be combined with an incorporation election as provided in AS 29.30.070.

* Sec. 3. AS 29.10.363 is amended to read:

Sec. 29.10.363. ADOPTION AND MODIFICATION OF SALES AND USE TAXES [TAX]. If a majority of the votes cast in a sales or use tax referendum are in the affirmative, the council may enact the tax. [AS A LEVY UPON BUYERS BUT WITH THE IMPOSITION UPON SELLERS OF THE OBLIGATION OF COLLECTING IT.] The tax ordinance shall specify that the tax shall be collected at the time of sale or at the time of collection with respect to credit transactions and transmitted to the city. No sales or use tax proposition for the same purpose may be presented to the voters more than once in any 12 months except for the purpose of changing or adding to the use made of an existing sales or use tax. In cities having a population of more than 15,000 persons, notice of a proposed sales or use tax referendum shall be published not less than 60 days before the referendum. A city may provide by ordinance for exemption from the tax levied under this section if not

1 otherwise expressly prohibited by law.

2 * Sec. 3. AS 29.10.366 is amended to read:

3 Sec. 29.10.366. PURPOSE OF SECS. 357 - 363 OF THIS
4 CHAPTER. The sole purpose of secs. 357 - 363 of this chapter
5 is to enable cities, with the consent of the residents, to
6 impose sales or use taxes, but although this method of
7 taxation is established in a city, the council may at any
8 time abandon it or may abandon one or more of the [THREE]
9 tax sources. If consent to a sales or use tax is obtained
10 for a special purpose, the proceeds of the tax may not be
11 used for any other purpose without consent of the voters
12 at another referendum.

13 * Sec. 4. AS 29.15.230 is repealed and re-enacted to read:

14 Sec. 29.15.230. AUTHORITY TO LEVY AND COLLECT USE AND
15 SALES TAXES. (a) The board of trustees may levy and collect
16 a sales tax on all sales and all rents and services made
17 within the city.

18 (b) The board of trustees may also levy and collect
19 a use tax on the use of any property within the municipality
20 which is purchased outside the municipality, and upon which
21 a sales tax would have been levied if the purchase had
22 occurred within the municipality.

23 (c) The board of trustees shall determine the per-
24 centage of the sales price to be levied as a sales or use
25 tax.

26 * Sec. 5. AS 29.15.240 is repealed and re-enacted to read:

27 Sec. 29.15.240. REFERENDUM. Before a sales or use
28 tax under sec. 357 of this chapter is levied, consent of the
29 qualified voters of the municipality shall first be obtained

1 through a referendum vote at a general or special election
2 upon ballots which clearly present the proposition whether
3 or not a sales or use tax shall be authorized within the
4 municipality. The ballot shall set forth whether the tax
5 is to be levied upon the buyer or seller and whether the
6 buyer or seller shall be obligated to collect the tax and
7 transmit it to the city. The ballot shall also set forth
8 whether the tax is to be levied for general revenue for the
9 municipality or for a special purpose, and, if for a special
10 purpose, it shall be specified on the ballot. A sales or
11 use tax referendum may be combined with an incorporation
12 election as provided in AS 29.30.070.

13 * Sec. 6. AS 29.15.250 is repealed and re-enacted to read:

14 Sec. 29.15.250. ADOPTION AND MODIFICATION OF SALES AND
15 USE TAXES. If a majority of the votes cast in a sales or
16 use tax referendum are in the affirmative, the board of
17 trustees may enact the tax. The tax ordinance shall specify
18 that the tax shall be collected at the time of sale or at
19 the time of collection with respect to credit transactions
20 and transmitted to the city. No sales or use tax proposition
21 for the same purpose may be presented to the voters more
22 than once in any 12 months except for the purpose of
23 changing or adding to the use made of an existing sales or
24 use tax. In cities having a population of more than 15,000
25 persons, notice of a proposed sales or use tax referendum
26 shall be published not less than 60 days before the referen-
27 dum. A city may provide by ordinance for exemption from the
28 tax levied under this section if not otherwise expressly
29 prohibited by law.

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* Sec. 7. AS 29.15.260 is repealed and re-enacted to read:
Sec. 29.15.260. PURPOSE OF SECS. 230 - 250 OF THIS
CHAPTER. The sole purpose of secs. 230 - 250 of this chapter
is to enable cities, with the consent of the residents, to
impose sales or use taxes, but although this method of
taxation is established in a city, the board of trustees
may at any time abandon it or may abandon one or more of
the tax sources. If consent to a sales or use tax is ob-
tained for a special purpose, the proceeds of the tax may not
be used for any other purpose without consent of the voters
at another referendum.

