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Referred: Local Government,  
State Affairs and Finance

1 IN THE HOUSE

BY MESSRS. JACKSON, LEFEVRE,  
ORBECK, SHELDON AND TAYLOR

2

HOUSE BILL NO. 60

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring referendum approval of  
7 combined borough and city sales tax levies  
8 exceeding three per cent of the sale price  
9 of the matters taxed; and providing for an  
10 effective date."

11

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

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\* Section 1. AS 07.15 is amended by adding a new section to  
13 read:

14

Sec. 07.15.015. ✓ SALES TAX LIMIT AND REFERENDUM. (a)

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The combined percentage of borough and city sales taxes  
16 levied within a city may not exceed three per cent of the  
17 sales price of the source taxed, unless a combined levy in  
18 excess of three per cent is approved by referendum at a  
19 regular or special election conducted by the borough. The  
20 referendum shall include

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(1) a vote in the borough upon ballots which  
22 clearly present the proposition whether or not the designated  
23 borough sales tax shall be levied in addition to a sales tax  
24 levied by any city in the borough having power to levy the  
25 tax, and

26

(2) a vote in each city levying a sales tax upon  
27 ballots which clearly present the proposition whether or not  
28 the designated city sales tax shall be levied in addition to  
29 the designated borough sales tax.

1 (b) A majority vote of the qualified voters voting on  
2 the question is necessary for approval of each question. A  
3 negative vote on either or both questions shall not affect  
4 pre-existing borough or city sales tax levies which separate-  
5 ly and in combination do not exceed three per cent.

6 (c) One boroughwide referendum only is required to  
7 approve a combined sales tax levy in excess of three per  
8 cent, regardless of whether, subsequent to the boroughwide  
9 referendum, a city in the borough levies a sales tax which in  
10 combination with the borough tax exceeds three per cent.  
11 However, the city shall conduct a referendum vote on the  
12 question as prescribed in (a)(2) of this section.

13 (d) Each increase in a combined sales tax levy in  
14 excess of three per cent shall be subject to the requirements  
15 of this section as in the case of the initial excess levy.

16 (e) In this section "city" means a city of the first,  
17 second, or third class.

18 \* Sec. 2. AS 29.08 is amended by adding a new section to read:

19 Sec. 29.08.015. LIMIT ON HOME RULE TAXING POWER.

20 AS 07.15.015, which limits taxing power, applies to home rule  
21 cities.

22 \* Sec. 3. AS 07 is amended by adding a new chapter to read:

23 CHAPTER 12. HOME RULE BOROUGHES.

24 ARTICLE 1. TAXATION.

25 Sec. 07.12.015. LIMIT ON HOME RULE TAXING POWER.

26 AS 07.15.015, which limits taxing power, applies to home rule  
27 boroughs.

28 \* Sec. 4. This Act takes effect April 15, 1965.  
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