

Original Sponsors: Messrs.
Jackson, Lefevre, Orbeck, et al

Offered: 3/23/65
Referred: Finance

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 60

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the power of cities and
7 boroughs to levy sales taxes."

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

9 * Section 1. AS 07.15.010(7) is amended to read:

10 (7) to levy all taxes and special assessments,
11 enforce tax liens, and assess and collect penalties in the
12 manner provided for first class cities. It may levy

13 (A) areawide taxes for areawide functions,
14 except that an areawide sales tax may be levied only
15 as provided in AS 07.15.012, and

16 (B) taxes limited to the area outside cities
17 for functions limited to the area outside cities;

18 * Sec. 2. AS 07.15 is amended by adding a new section to read:

19 Sec. 07.15.012. AREAWIDE SALES TAX. A first or second
20 class borough may levy an areawide sales tax in the manner
21 provided for first class cities. However, if a city within
22 the borough levies and collects a sales tax, the borough tax
23 may not exceed two per cent of the sales price of the source
24 taxed, unless the city and the borough provide otherwise by
25 interlocal agreement. An interlocal agreement may not
26 authorize combined city and borough sales tax levies in
27 excess of four per cent of the sales price of the source
28 taxed.

29 * Sec. 3. AS 29.10.357(a) is amended to read:

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(a) The council may levy and collect a consumer's sales tax not exceeding three per cent of the sales price on all retail sales, on all rents, and on all services made within the city [MUNICIPALITY]. The sales tax may be levied and collected on any one or more of these tax sources, at the option of the council. If the city is located within an organized borough which levies and collects an areawide sales tax, the tax levied by the council may not exceed two per cent of the sales price of the source taxed. However, the city and the borough may provide otherwise by interlocal agreement, so long as the combined sales tax levies of the city and the borough do not exceed four per cent of the sales price of the source taxed.

* Sec. 4. AS 29.25.420 is amended to read:

Sec. 29.25.420. LEVY AND COLLECTION OF SALES TAX. The council may levy and collect a sales tax not to exceed three per cent, in accordance with the procedure set forth in secs. 420 - 480 of this chapter, and may prescribe the manner of collecting the tax. If the incorporated village is located within an organized borough which also levies and collects an areawide sales tax, the tax levied by the council may not exceed two per cent of the sales price of the source taxed. However, the incorporated village and the borough may provide otherwise by interlocal agreement, so long as the combined sales taxes levies of the incorporated village and the borough do not exceed four per cent of the sales price of the source taxed.

* Sec. 5. AS 29.08 is amended by adding a new section to read:

Sec. 29.08.015. LIMIT ON HOME RULE TAXING POWER.

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AS 29.10.357, which limits taxing power, applies to home rule cities.

* Sec. 6. AS 07 is amended by adding a new chapter to read:

CHAPTER 12. HOME RULE BOROUGHES.

ARTICLE 1. TAXATION.

Sec. 07.12.015. LIMIT ON HOME RULE TAXING POWER.

AS 07.15.012, which limits taxing power, applies to home rule boroughs.

* Sec. 7. Nothing in this Act prohibits a city or borough which on May 1, 1965 was levying and collecting a sales tax dedicated by contract to the amortization of bonded or other indebtedness from continuing to levy and collect the tax for the period of the dedication.

* Sec. 8. A city which on May 1, 1965 by authority of a referendum is levying a sales tax in excess of two per cent may continue to levy at that rate and if the borough in which the city is located is levying a sales tax at a rate which when combined with that of the city exceeds four per cent the borough must reduce its sales tax to a level where the combined areawide sales tax will not exceed four per cent.