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FAIRBANKS ALASKA 8

REPRESENTATIVE MIKE MILLER CHAIRMAN LOCAL GOVT COMMITTEE

JUN

THE FAIRBANKS NORTH STAR BOROUGH AND CITIES OF FAIRBANKS  
AND NORTH POLE TAX RENTAL BUT EXEMPT RENTALS OF REAL  
PROPERTY IF RENTAL IS ON A MONTHLY BASIS OR FOR A LONGER  
PERIOD THIS LEAVES TAXATION ON HOTEL AND MOTEL ROOMS  
EQUIPMENT AND OTHER SHORT TERM RENTALS HOUSE BILL 96  
WOULD PREVENT THIS TAXATION LOSS OF THESE REVENUES WOULD  
HAVE TO BE ABSORBED BY INCREASE IN REAL PROPERTY TAXES  
WE WOULD OPPOSE PASSAGE OF HOUSE BILL 96 AS PRESENTLY

WRITTEN

JOHN A CARLSON CHAIRMAN FAIRBANKS NORTH STAR BOROUGH



## CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 1110 - KETCHIKAN, ALASKA 99801

TELEPHONE 907-225-3111

February 18, 1971

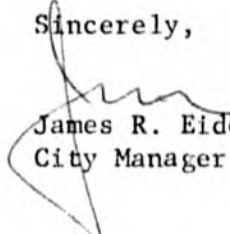
Representative Mike Miller  
Chairman Local Government Committee  
Pouch V - State Capitol  
Juneau, Alaska 99801

Dear Mike:

Attached is a copy of a resolution pertaining to HB 96 regarding exclusion of rents as a source of sales tax revenue. This resolution was passed and approved by the City Council at their official meeting on February 17, and copies are being forwarded to Senator Ziegler, Representative Whittaker, and Don Berry. As you are well aware, legislation such as this is an example of further erosion of the Home Rule concept of the State Constitution.

Your support of the City of Ketchikan's stand would be appreciated.

Sincerely,

  
James R. Eide  
City Manager

cc: Don Berry

RESOLUTION NO. 935

A RESOLUTION PROTESTING ALASKA HOUSE BILL NO. 96  
DESIGNED TO EXCLUDE RENTS AS A SOURCE OF SALES  
TAX LEVY BY CITIES AND ORGANIZED BOROUGHES.

WHEREAS approximately 10 per cent of the sales tax revenue of the City of Ketchikan is derived from tax on rentals, and

WHEREAS the sales tax on rentals is levied not only on residential but on office, commercial and industrial units, and

WHEREAS the sales tax ordinance was approved in a special referendum election by the voters of the City of Ketchikan, and only the citizens of the City of Ketchikan are paying the sales tax on rents on the above units, and

WHEREAS the removal of rents from sales tax may necessitate an increase in property tax and, as such, would result in an increase in rental rates, and

WHEREAS the sales tax funds for the City of Ketchikan are earmarked for capital improvement projects or the debt service on the improvements, and

WHEREAS recently a two and one-half million dollar (\$2,500,000) bond issue was authorized and sold for a major street improvement project, and

WHEREAS the citizens of the City of Ketchikan approved said project with the use of the proceeds of the sales tax for the debt service rather than a special assessment program, and

WHEREAS if the special assessment program would have been used, the rental cost of property would have increased more than the 2½ per cent collected from sales tax on rental property, and

WHEREAS the sales tax on rents as paid by the citizens of the City of Ketchikan is a matter of local concern which the voters of the City of Ketchikan have approved in a special referendum election.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska:

That the Council of the City of Ketchikan hereby voices its strong disapproval and protest to House Bill 96 which would, if passed, exclude rents as a source of sales tax levy by cities and organized boroughs.

PASSED AND APPROVED at Ketchikan, Alaska, this 17 day of February, 1971.

/s/ William F. Hamilton  
William F. Hamilton, Mayor

ATTEST:

/s/ Mary McKinley