

## CHAPTER 66

## AN ACT

**Pertaining to consumers' sales taxes levied by cities of the first class, Independent School Districts and Incorporated School Districts; amending subsection Ninth (b) of Sec. 16-1-35, ACLA 1949 as amended by Ch. 38, SLA 1949, Ch. 121, SLA 1953 and Ch. 151, SLA 1957; amending Sec. 1, B of Ch. 124, SLA 1953; adding a new section; and providing for an effective date.**

(S.C.S.H.B. 11)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. Subsection Ninth (b) of Sec. 16-1-35, ACLA 1949 as amended by Ch. 38, SLA 1949, Ch. 121, SLA 1953 and Ch. 151, SLA 1957, is hereby amended to read as follows:

(b) **Consumer's Sales Tax.** To levy and collect a consumer's sales tax not exceeding three percentum of the sales price on all retail sales, on all rents, and on all services, made within the municipality, and such consumer's sales tax may be levied and collected at the option of the council on any one or more of the three preceding tax sources. Consent of the qualified voters of the municipality must first be obtained through a referendum vote at a general or special election upon ballots which clearly present the proposition as to whether such sales tax shall be authorized within the municipality. The ballot shall also set forth whether the tax is to be levied for general revenue for the municipality or for a special purpose, and, if for a special purpose, same shall be specified on the ballot. If a majority of the votes cast in said referendum are in the affirmative, the council may thereafter enact such a tax in the nature of a levy upon buyers but with imposition upon sellers of the obligation of collecting same at the time of sale or at time of collection with respect to credit transactions and transmit same to the municipality. No such sales tax proposition shall be presented to the voters more than once in any twelve months. The sole purpose of this subsection is to enable cities, with the consent of the residents thereof, to impose sales taxes, and that although such method of taxation be established within a city, the council may at any time abandon same or

may abandon one or more of the three tax sources listed hereinabove. It is also the intent that if 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. Provided, however, that any municipality may provide by ordinance for exemption from the tax levied hereunder if not otherwise expressly prohibited by law.

Sec. 2. Sec. 1, B of Ch. 124, SLA 1953, is hereby amended to read as follows:

B. **Consumer's Sales Tax.** The School Boards in Independent School Districts or Incorporated School Districts shall have the power to levy and collect a consumer's sales tax not exceeding two per centum of the sales price on all retail sales, on all rents and on all services made within the Independent School District or the Incorporated School District, and such consumer's sales tax may be levied and collected at the option of the school board on any one or more of the three preceding tax sources; provided, that the consent of the qualified voters of the Independent School District or Incorporated School District is first obtained through a referendum vote at a general or special election, upon ballots which clearly present the proposition as to whether such sales tax shall be authorized within the Independent School District or Incorporated School District, but no such sales tax proposition shall be presented to the voters more than once in any twelve months. The ballot shall also set forth whether the tax is to be levied for general revenue for the Independent School District or the Incorporated School District or for a special school purpose, and, if for a special school purpose, same shall be specified on

the ballot. If a majority of the votes cast in said referendum are in the affirmative, the school board may thereafter enact such a tax in the nature of a levy upon buyers but with imposition upon sellers of the obligation of collecting same at the time of sale or at time of collection with respect to credit transactions, and transmit same to the Independent School District or Incorporated School District. The sole purpose of this subsection is to enable Independent School Districts or Incorporated School Districts, with the consent of the residents thereof, to impose sales taxes, and that although such method of taxation be established within an Independent School District or Incorporated School District, the school board may at any time abandon same or may abandon one or more of the three tax sources listed hereinabove. It is also the intent that if 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. It is further provided that no tax shall be levied or imposed hereunder upon either sales, rents or services made within any incorporated municipality or school district which is a part of any independent school district where such incorporated municipality levies a consumer's sales tax upon the sales price of either or both retail sales, rents and services made within it.

Sec. 3. Nothing contained in this Act shall prohibit political subdivisions that are collecting a sales tax on rents on the date this Act becomes effective to continue to collect the same.

Sec. 4. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved April 7, 1959

## CHAPTER 67

### AN ACT

**Relating to insurance policies issued in conjunction with contracts for sale of motor vehicles, merchandise and other property or for loan of money, which undertake to insure a debtor for the amount of his debt under such contracts; requiring the furnishing of copies of such policies and providing for cancellation of policies and payment of refunds for unearned premiums thereof, making violation of the Act a misdemeanor and fixing the penalty thereon.**

(S.B. 52)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. Whenever a credit life insurance policy or other insurance policy is obtained on the life of a debtor under or pursuant to the terms of a contract for the sale of a motor vehicle, merchandise or other property, or for the loan of money, the person, firm, company or corporation obtaining or receiving the policy shall furnish a copy of the policy, or a certificate or statement of insurance in the case of a group policy, to the insured not later than thirty (30) days after receipt thereof. Such policy shall be on a form approved by the State Insurance Commission, and the principal

amount payable thereunder shall not be in excess of the total amount the debtor agrees to pay when he enters into such contract, provided, however, that where the indebtedness is repayable in installments, the amount of the insurance shall not exceed the approximate unpaid balance of the loan. If all amounts payable under such contract are paid before the same become due, such policy shall be cancelled and the insured shall be paid any refund for unearned premium on the policy within sixty (60) days after such cancellation.

Sec. 2. Any person, firm, company or corporation violating any of the provisions of this Act shall be guilty of a