

KETCHIKAN CHARTER COMMISSION

AGENDA STATEMENT

NO H-3

MEETING OF March 26, 2004

ITEM TITLE Introduction and review of Article XVI, General Provisions, of the 2001 Ketchikan Charter in the first reading SUBMITTED BY John Harrington
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SUMMARY STATEMENT

Attached is Article XVI, General Provisions, of the Ketchikan 2001 Charter document and alternatives from Sitka, Juneau and Haines of Article XV, Charter Amendment, for review and acceptance.

RECOMMENDED ACTION:

"I move to approve Article XVI, General Provisions, of the Ketchikan 2004 DRAFT Charter in the first reading."

ARTICLE XVI

GENERAL PROVISIONS

Section 16.01 Personal Financial Interest; Nepotism.

(a) **Prohibition.** An elected municipal officer may not participate in any official action in which the officer or a member of the officer's household has a substantial financial interest unless, after disclosure of the interest, the officer's participation is approved in public meeting by the presiding officer or a majority of the body. Municipal officials shall publicly disclose their substantial financial interests as required by law. The Assembly, by ordinance, shall adopt procedures dealing with conflicts of interest on the part of municipal employees.

(b) **Punishment.** Any municipal officer, employee, or elected official who conceals such financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit his office or employment. Violation of this section with the knowledge, express or implied, of the person contracting with or making a sale to the municipality shall render the contract or sale to the municipality voidable by the municipal manager or the Assembly.

(c) Except when chosen solely on the basis of competitive examination administered and graded by persons not employed by the municipality, the municipal manager, the mayor, the Assembly, and their subordinates or appointees shall not appoint or hire any person to any employment or office who is related to the municipal manager, the mayor, or any assemblymember or to the spouse of the municipal manager, the mayor, or any assemblymember. Except when chosen solely on the basis of competitive examination administered and graded by persons not employed by the municipal utilities, the utilities general manager, the municipal utility board, and their subordinates or appointees shall not appoint or hire to any employment or office any person who is related to the utilities general manager or to any municipal utility board member or to the spouse of the general manager or of any municipal utility board member. For purposes of this subsection a person is considered related to an official or the official's spouse if the person is a parent, spouse, child, sibling, half-sibling, grandparent, grandchild, great grandparent, great grandchild, aunt, uncle, niece, nephew, or is a spouse of any of the above. This subsection shall not prohibit an officer or employee from continuing employment which the officer or employee held prior to becoming a relative or prior to the relative's term of office. This subsection shall not prohibit an officer or employee from being promoted, under applicable personnel rules, from a position held by the officer or employee prior to becoming a relative or prior to the relative's term of office. This subsection shall also not apply if the relative is an independent contractor for goods and services provided that the contract has been awarded or approved as provided in paragraph 2.10(a)(2).

Section 16.02 Surety Bonds.

The municipal manager, the clerk, the finance officer, and such other officers and employees as the Assembly may designate before entering upon their duties shall be bonded by individual or group bonds for the faithful performance of their respective duties payable to the municipality in such form and in such amounts as the Assembly may prescribe with a surety company authorized to operate within the state. The municipality shall pay the premiums on such bonds.

Section 16.03 Oath of Office.

Every officer of the municipality before entering upon his duties shall take the oath or affirmation required by section 5 of Article XII, Constitution of the State of Alaska. The Assembly may require designated employees to take such oath before entering upon their employment. Oaths of office shall be filed with the clerk.

Section 16.04 Municipal Proceedings.

The Assembly, by ordinance, shall establish procedures governing administrative proceedings in which the legal rights, duties, privileges, or penalties of persons are to be determined; provide for fair and equal treatment of all persons involved in such proceedings; and provide for the conduct of such proceedings in an orderly and uniform manner.

Section 16.05 Ordinances and Resolutions.

Except as otherwise provided by this Charter or by the transition plan, the ordinances and resolutions of local governments to be dissolved shall continue in full force and effect in their respective jurisdictions until expressly reaffirmed, revised, or repealed by the Assembly.

Section 16.06 Pre-Consolidation Assets, Liabilities, Sales Taxes, Reserves and Franchises, and Collective Bargaining Rights

(a) **Assets and Liabilities.** The municipality shall succeed to all the assets and liabilities of the former City of Ketchikan and of the former Ketchikan Gateway Borough. Bonded indebtedness incurred before consolidation shall remain the obligation of the area which was subject to the debt unless the asset for which the bonded indebtedness was incurred is used for an areawide purpose or is used for the benefit of a larger area, in which case the obligation shall become the obligation of the area benefitted by the asset's use. The obligation to repay revenue bonds issued by the City of Ketchikan d/b/a Ketchikan Public Utilities shall not be affected by this Charter.

(b) **Sales and Use Taxes.** All sales and use taxes levied within the former City of Ketchikan and the former Ketchikan Gateway Borough shall remain in effect until changed as provided in this Charter. Within one year from the first election under this Charter, the Assembly shall apply the levy of the former City of Ketchikan's one percent (1%) hospital and other purposes sales tax on an areawide basis throughout the municipality with the revenues from the areawide levy being appropriated for the municipality. The ratification requirement of Section 10.05(b) shall not apply to this one percent areawide levy. The remaining two-and-one-half percent (2½%) of the

former City of Ketchikan's sales tax shall be appropriated for the Ketchikan Service Area. Sales tax levies required by this section shall remain in effect until changed as provided in this Charter.

(c) **Reserves.** Any pledged reserve accounts of the prior local governments shall remain committed to the purposes for which they were originally dedicated.

(d) **Franchises.** All existing franchises of the governments to be consolidated shall continue after ratification of this Charter until they expire, are extended, renewed, or revoked by the Assembly.

(e) **Salaries.** Until changed as provided in Section 2.06, the salaries and expenses of the mayor and assemblymembers will be the same as paid to the mayor and councilmembers of the former City of Ketchikan.

Collective Bargaining. If the municipality opts out of the Alaska Public Employment Relations Act [Alaska Stats. 23.40.070 - 23.40.260 (1998)], the Assembly shall adopt and may thereafter amend an employment relations ordinance which will extend to eligible municipal employees the right to bargain collectively on wages, hours, and such terms and conditions of employment as are permitted by ordinance. The ordinance shall provide for the recognition and decertification of collective bargaining units and shall define the scope and nature of collective bargaining. Those collective bargaining units and their representatives which were previously recognized by the Ketchikan Gateway Borough or the City of Ketchikan will, unless decertified or modified by vote of the represented employees, continue to be recognized by the municipality for the purpose of collective bargaining under the ordinance.

Section 16.07 Continuance of Actions.

The adoption of this Charter shall not abate or otherwise affect any action, claim, or proceeding, civil or criminal, by or against, a local government to be consolidated and which had accrued at the time of the effective date of this Charter. All applications, petitions, hearings, and other proceedings pending on the effective date before a local government to be consolidated shall be continued before the municipality.

Section 16.08 Intergovernmental Relations.

The municipality may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the State of Alaska, or the United States, or any agency or instrumentality of those governments.

Section 16.09 Transition Plan.

Other provisions concerning the transition shall be governed by the transition plan as approved by the Local Boundary Commission and any changes made thereto by the Assembly.

Section 16.10 Penalties.

Within six months after adoption of this Charter, the Assembly, by ordinance, shall prescribe penalties for violations of this Charter if no penalty is prescribed by this Charter.

Section 16.11 Separability Clause.

If a court of competent jurisdiction should hold any section or part of this Charter invalid, such holding shall not affect the remainder of this Charter nor the context in which such section or part so held invalid may appear, except to the extent that another part of the Charter may be inseparably connected in meaning and effect with that section or part.

If a court of competent jurisdiction holds a part of this Charter invalid, or if a change in the state constitution or law renders a part of this Charter invalid or inapplicable, the Assembly, by ordinance, may take such appropriate action as will enable the municipal government to function properly.

Section 16.12 Effective Date.

If, at an election ordered pursuant to Alaska Statutes 29.06.140(a) and (b), the voters approve of the consolidation of the City of Ketchikan and the Ketchikan Gateway Borough, this Charter shall become effective on the date the consolidation becomes effective.

[Sitka Alternative] ARTICLE XVII GENERAL PROVISIONS

Section 17.01 Personal Financial Interest

(a) Prohibition. No elected official may vote on any question on which he or she has a substantial financial interest. Any municipal officer, employee, or assembly member who has a substantial financial interest in any contract with the municipality or in the sale of any land, material, supplies or services to the municipality or to a contractor supplying the municipality shall make known that interest and shall refrain from participating in his capacity as a municipal officer, employee, or assembly member in the making of such sale or in the making or performance of such contract.

(b) Punishment. Any municipal officer, employee or assembly member who conceals such financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit his/her office or employment. Violation of this section with the knowledge expressed or implied of the person contracting with or making a sale to the municipality shall render the contract or sale to the municipality voidable by the Administrator or the Assembly.

(c) Additional Rules. The Assembly by ordinance may prescribe additional rules and penalties to prevent conflicts of interest.

Section 17.02 Prohibitions

(a) Discrimination. No person may be discriminated against in any municipal appointment, employment, or promotion because of race, sex, color, political or religious affiliation, or national origin.

(b) Personnel Regulations. No person may willfully falsify any test, certification or appointment under the personnel regulations, or in any manner commit or attempt to commit any fraud to prevent the impartial execution of such regulations.

(c) Undue Influence. No person may offer, give or receive any money, service, or other valuable thing to influence or attempt to influence any action of an officer or employee in the performance of his municipal duties.

(d) Solicitation. No assembly member, municipal officer or administrative employee may directly or indirectly solicit a contribution for any political party or purpose from any person holding a compensated municipal position.

Section 17.03 Surety Bonds

The Municipal Administrator, the Municipal Clerk or such other officers and employees as the Assembly may designate, before entering upon their duties, shall be bonded, by individual and or group bonds, for the faithful performance of their respective duties, payable to the municipality, in such form and in such amounts as the Assembly may prescribe, with a surety company authorized to operate within the state. The municipality shall pay the premiums on such bonds.

Section 17.04 Oath of Office

Every officer of the municipality, before entering upon his/her duties, shall take the oath or affirmation required by Section 5 of Article XII, Constitution of the State of Alaska. The Assembly may require designated employees to take such oath before entering upon their employment. Oath of office shall be filed with the Municipal Clerk.

Section 17.05 Continued Office

Every officer who is elected or appointed for a term ending at a definite time shall continue to serve until his successor qualifies and takes office, except in the case of death, resignation, or termination by law or this Charter.

Section 17.06 Municipal Proceedings

The Assembly by ordinance shall establish procedures governing administrative proceedings in which the legal rights, duties, privileges or penalties of persons are to be determined; insure fair and equal treatment of all persons involved in such proceedings; and provide for the conduct of such proceedings in an orderly and uniform manner.

Section 17.07 Records to be Public

All records of the municipality shall be public except as otherwise provided by law. Records shall be available at municipal offices for public inspection and for distribution at such reasonable price as the Assembly may direct. Copies certified by the Clerk shall be prima facie evidence of their contents.

Section 17.08 Adverse Possession

The municipality may not be divested of title to real property by adverse possession.

Section 17.09 Actionable Claims

Except as provided in Section 17.10 of this Charter, provisions of law governing claims against municipal corporations apply to claims actionable against the municipality.

Section 17.10 Claims for Injuries

(a) Notice of Injury. The municipality shall not be liable in damages for injury to person or property by reason of negligence or gross negligence unless, within four months after the injury occurs, the person damaged or his representative serves written notice to an officer upon whom process may be

served. The notice shall state that the person intends to hold the municipality liable for damages and shall set forth with clarity the time and place of the injury, the manner in which it occurred, the nature of the act or defect complained of, the extent of the injury so far as known, and the names and addresses of witnesses known to the claimant.

(b) Presentation of Claim. No person may bring an action against the municipality for damages to person or property by reason of negligence or gross negligence unless the action is brought within the period prescribed by law and he or she has first presented to the Administrator a claim in writing under oath setting forth specifically the nature and extent of the injury and the amount of damages claimed. The Administrator shall promptly present the claim to the Assembly for action.

(c) Failure Bars Action. Failure to give notice of injury or to present a claim within the time and in the manner provided shall bar an action upon the claim.

(d) Defense of Immunity. This section does not waive any defense of immunity which the municipality may have from claims for damages to persons or property.

Section 17.11 Notice of Lien

When any lien other than for ad valorem taxes or special assessments is placed by the municipality on any real property, notification of the lien shall be sent by registered or other special mail to the person whose name appears as owner of the property on the most recent tax assessment roll.

Section 17.12 Regulation of Water and Submerged Lands

The Assembly may regulate the use and development of all waters and submerged lands which are subject to the jurisdiction of the municipality.

Section 17.13 Severability

If any provision of this Charter is held invalid, other provisions shall not be affected. If the application of this or any of its provisions to a person or circumstance is held invalid, the application of this Charter or any of its provisions to other persons or circumstances shall not be affected.

[Juneau Alternative] ARTICLE XV — GENERAL PROVISIONS

Section 15.1. PERSONAL FINANCIAL INTEREST.

(a) No assembly member may vote on any question on which the assembly member has a substantial financial interest. Any municipal officer, employee, or assembly member who has a substantial financial interest in any contract with the municipality or in the sale of any land, material, supplies, or services to the municipality or to a contractor supplying the municipality shall make known that interest and shall refrain from participating in his or her capacity as a municipal officer, employee, or assembly member in the making of such sale or in the making or performance of such contract.

(b) Any municipal officer, employee, or assembly member who conceals such financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit office or employment. Violation of this section with the knowledge express or implied of the person contracting with or making a sale to the municipality shall render the contract or sale voidable by the manager or the assembly.

(c) The assembly by ordinance shall prescribe additional rules and penalties to prevent conflicts of interest. (As amended by Serial No. 90-30 § 13, 1990).

Section 15.2. PROHIBITIONS. (a) No person may be discriminated against in any municipal appointment, employment, or promotion because of race, sex, color, political or religious affiliation, or national origin.

(b) No person may willfully falsify any test, certification, or appointment under the personnel regulations, or in any manner commit or attempt to commit any fraud to prevent the impartial execution of such regulations.

(c) No person may offer, give, or receive any money, service, or other valuable thing to influence municipal appointment, employment, or promotion.

(d) No assembly member, municipal officer, or administrative employee may directly or indirectly solicit a contribution for any political party or purpose from any person holding a compensated municipal position. (As amended by Serial No. 90-30 § 14, 1990).

Section 15.3. SURETY BONDS. The manager and other municipal officers or employees as the assembly shall require by ordinance shall give reasonable bond in the amount and with the surety prescribed by the assembly. Premiums shall be paid by the municipality.

Section 15.4. OATH OF OFFICE. Before taking office, every elected and appointed municipal officer shall take and subscribe an oath or affirmation of office as the assembly may require.

Section 15.5. CONTINUED OFFICE. Every officer who is elected or appointed for a term ending at a definite time shall continue to serve until the officer's successor qualifies and takes office, except in cases of death, resignation, or termination by law or this Charter. (As amended by Serial No. 90-30 § 15, 1990).

Section 15.6. MUNICIPAL PROCEEDINGS. The Assembly by ordinance shall establish procedures governing administrative proceedings in which legal rights, duties, privileges or penalties of persons are to be determined; insure fair and equal treatment of all persons involved in such proceedings; and provide for the conduct of such proceedings in an orderly and uniform manner.

Section 15.7. RECORDS TO BE PUBLIC. All records of the municipality shall be public except as otherwise provided by law. Records shall be available at municipal offices for public inspection and for distribution at such reasonable price as the assembly may direct. Copies certified by the clerk shall be prima facie evidence of their contents.

Section 15.8. ADVERSE POSSESSION. The municipality may not be divested of title to real property by adverse possession.

Section 15.9. ACTIONABLE CLAIMS. Except as provided in Section 15.10 of this Charter, provisions of law governing claims against municipal corporations apply to claims actionable against the municipality.

Section 15.10. CLAIMS FOR INJURIES. (a) The municipality shall not be liable in damages for injury to person or property by reason of negligence or gross negligence unless, within four months after the injury occurs, the person damaged or the person's representative serves written notice to an officer upon whom process may be served. The notice shall state that the person intends to hold the municipality liable for damages and shall set forth with clarity the time and place of the injury, the manner in which it occurred, the nature of the act or defect complained of, the extent of the injury so far as known, and the names and addresses of witnesses known to the claimant.

(b) No person may bring an action against the municipality for damages to person or property by reason of negligence or gross negligence unless the action is brought within the period prescribed by law and the person has first presented to the manager a claim in writing under oath setting forth specifically the nature and extent of the injury and the amount of damages claimed. The manager shall promptly present the claim to the assembly for action.

(c) Failure to give notice of injury or to present a claim within the time and in the manner provided shall bar any action upon the claim.

(d) This section does not waive any defense of immunity which the municipality may have from claims for damages to persons or property. (As amended by Serial No. 90-30 § 16, 1990).

Section 15.11. DISSOLUTION. The municipality may be dissolved as provided by law and with the effect prescribed by law for dissolution of first class cities.

Section 15.12. SEPARABILITY. If any provision of this Charter is held invalid, other provisions shall not be affected. If the application of this Charter or any of its provisions to any person or circumstance is held invalid, the application of this Charter or any of its provisions to other persons or circumstances shall not be affected.

Section 15.13. CHAPTER AND SECTION HEADINGS. Chapter and section headings shall not be considered a part of the Charter.

Section 15.14. DEFINITIONS. Words used in this Charter shall have their ordinary dictionary meanings, except as otherwise specifically indicated by the context or defined herein.

(a) All words indicating the present tense are not limited to the time of adoption of this Charter, but may extend to and include the time an event or requirement occurs to which any provision is applied.

(b) The singular includes the plural and the plural includes the singular.

(c) "Code" means the general codification of all ordinances and resolutions of general effect, including all amendments and additions.

(d) "Disaster" means a sudden unforeseen misfortune which has resulted in calamitous destruction of life or property.

(e) "Emergency" means a sudden, unforeseen occurrence or condition which results in a relatively permanent insufficiency of service or facilities substantial enough to create social disturbance or distress or to endanger the public. Emergency does not mean mere expediency, convenience, or best interest.

(f) "Law" denotes applicable federal law, the Constitution, and state statutes.

(g) "Millage rate required to service general obligation indebtedness" means the millage rate required to provide revenue in an amount sufficient to service all general obligation debt in the fiscal year for which the tax is levied, less any funds received or to be received in that year from federal, state or local sources which funds are designated as payment for or reimbursement of debt service costs.

(h) "Municipality" means the unified municipality named in Section 1.1 of this Charter. (i) "Person" extends and applies to bodies politic and corporate, and to partnerships and associations and other legal entities as well as to individuals.

(j) "Publish" or "published" includes the setting forth of any matter for public notice in the manner provided by law, or where there is no applicable law, publishing at least once in one or more newspapers of general circulation in the municipality and qualified by law for the publication of legal notices.

(k) "State" means the State of Alaska (Adopted by the voters on October 3, 1995, regular election; As amended by Serial No. 90-30 § 17, 1990).

[Haines Alternative] ARTICLE XVIII GENERAL PROVISIONS

Section 18.01 Conflict of Interest

An elected borough officer may not participate in any official action in which he or a member of his immediate family has a substantial financial interest unless after disclosure of the interest his participation is approved by a majority of the body. This prohibition shall be implemented in the manner provided by law, including provision for public disclosure of substantial financial interests of assembly members, school board members, and members of regulatory, appellate and quasi-judicial boards and commissions. The assembly by ordinance shall adopt procedures dealing with nepotism and conflict of interest on the part of borough employees.

Section 18.02 Prohibitions

(A) Except where authorized by ordinance, an elected official of the borough may hold no other compensated borough office or elected position under the state or borough while in office.

(B) For one year after he leaves office, an assembly member or school board member elected under this charter may hold no compensated borough office or employment that was created, or the salary or benefits of which were specially increased during his last year in office by the body of which he was a member. This section does not apply to employment by or election to a charter commission.

(C) For purposes of this section, an independent contractor engaged through competitive bidding is not considered to be a borough employee.

Section 18.03 Public Meetings

(A) Except as provided for in this charter, all meetings of the assembly, the school board, the planning commission and other boards and commissions shall be held in public. The assembly by ordinance shall adopt procedures for reasonable public notice of all meetings. At each such meeting the public shall have reasonable opportunity to be heard.

(B) An executive session may be held to discuss only matters permitted by Alaska Statutes, and even then with due regard for the public's right to know and be self-governed. The general matter for consideration in executive session shall be expressed in the motion calling for the session. No official action may be taken in executive session except to give direction to an attorney or labor negotiator regarding handling of a specific legal matter or pending labor negotiation.

(C) Except in emergency, the assembly, school board, and all borough boards and commissions may take no official action between the hours of midnight and 7:00 a.m. local time. Action taken in violation of this provision is void.

Section 18.04 Public Records

(A) It is the policy of the borough, including the school district, to disclose all records and to provide access to records, except as provided otherwise. Requests for disclosure shall be handled in a timely, reasonable, and responsive manner, without infringing on the rights of any person or

other entity, and without impairing the functioning of the borough.

(B) All borough records are open to the public unless authorized to be confidential by a valid Alaska or federal statute or regulation, this charter, or by privilege, exemption, or principle recognized by the courts, or by an agency protective order authorized by law.

Section 18.05 Oaths of Office

Borough officers, before taking office, shall take and subscribe to the following affirmation: I solemnly affirm that I will support the Constitution of the United States, the Constitution of the State of Alaska and the Charter of Haines Borough, and that I will faithfully perform the duties of _____ to the best of my ability.

Section 18.06 Continuation In Office

Each elected borough officer whose term has expired shall continue to serve until his successor qualifies and takes office.

Section 18.07 Borough Name

The borough may use the name "Haines" wherever for bonding or other purposes, it is to the advantage of the borough to do so.

Section 18.08 Interpretation

(A) Titles and subtitles are for identification and ease of reference only and shall not be construed as interpretations of charter provisions.

(B) Personal pronouns used in this charter shall be construed as including either sex.

(C) References in this charter to particular powers, duties and procedures of borough officers and agencies may not be construed as implied limitations on other borough activities not prohibited by law.

Section 18.09 Definitions

(A) "Appropriation" means a unit of funding provided for by the Assembly in the borough budget. An appropriation may be specific as to particular expenditures or general as to an entire department or agency, as the Assembly deems appropriate.

(B) "Categories" means actual proposed expenditures to be made from an appropriation.

(C) "Emergency" means an unforeseen occurrence or condition which results or apparently will result in an insufficiency of services or facilities substantial enough to endanger the public health, safety or welfare.

(D) "Initiative" means the initiation of borough legislation and its enactment or rejection by the borough electorate in the event the proposed measure is not enacted by the assembly.

(E) "Interest in lands" means any estate in real property or improvements thereon excluding revocable permits or licenses, rights-of-way, or easements that the Assembly finds to be without substantial value to the Borough.

(F) "Law" means this Charter, the ordinances and resolutions preserved by this Charter, or enacted pursuant to it, and those portions of the statutes of the State of Alaska and the Constitutions of the State of Alaska and of the United States that are valid limitations on the exercise of legislative power by home rule governments.

(G) "Borough" means the "Haines Borough" created upon ratification of this Charter.

(H) "Publish" means to cause to be printed at least once in a publication of general circulation within the borough. The Assembly shall provide for additional modes of dissemination.

(I) "Referendum" means the right of the voters of the Haines Borough to have an act which was passed by the legislative body be submitted for electorate approval or rejection.

(J) "Resident" means a person whose habitual, physical dwelling place is within the area in question and who intends to maintain his dwelling place in that area.

(K) "Supermajority vote" means an affirmative vote by at least 3/4 of the total membership of the voting body.

(L) "Utility" or "Borough Utility" means a utility that belonged to a former government and whose rates are subject to regulation by the Regulatory Commission of Alaska on the date this Charter becomes effective.

ARTICLE XVI AMENDMENT

From: [John Harrington](#)

To: [Ketchikan Charter Commission](#)

Sent: Saturday, March 20, 2004 1:43 PM

Subject: Re: Sales Tax

Greetings all:

As you know I won't be at next Friday's meeting. So I will voice an issue by e-mail for your consideration at the meeting.

After floundering around the sales tax issue last Friday, it is probably better for me to write down my concerns anyway. The sales tax of the city of Ketchikan is the issue I want to explore.

The future Ketchikan service area will remain the primary source for goods and services for the borough as a whole. So the sales tax issue of the current city is one that the people of the entire borough should have a voice. Section 16.06 (b) excludes the rural portions of the borough from any say on that sales tax rate. In addition it locks in the existing sales tax inequity. If this were the only inequity that has the rural residents subsidizing the city I would probably not make it an issue. However, since this is just one of several institutional inequities I believe we need to address it somewhere.

The current language states:

Section 16.06 Pre-Consolidation Assets, Liabilities, Sales Taxes, Reserves and Franchises, and Collective Bargaining Rights

(b) Sales and Use Taxes. All sales and use taxes levied within the former City of Ketchikan and the former Ketchikan Gateway Borough shall remain in effect until changed as provided in this Charter. Within one year from the first election under this Charter, the Assembly shall apply the levy of the former City of Ketchikan's one percent (1%) hospital and other purposes sales tax on an areawide basis throughout the Municipality with the revenues from the areawide levy being appropriated for the Municipality. The ratification requirement of Section 10.05(b) shall not apply to this one percent areawide levy. The remaining two-and-one-half percent (2½%) of the former City of Ketchikan's sales tax shall be appropriated for the Ketchikan Service Area. Sales tax levies required by this section shall remain in effect until changed as provided in this Charter.

One solution could be to add wording at the end of this section such as:

[Within three years of ratification of this charter, the Assembly will present for voter approval a reauthorization of a sales tax, including both areawide and nonareawide sales taxes. All future changes to the sales tax will be submitted to the entire municipality for ratification. Unless voters reauthorize it, the sales tax will terminate on December 31, 2008.]