

# KETCHIKAN CHARTER COMMISSION

## AGENDA STATEMENT

NO 1 - 2  
MEETING OF August 6, 2004

ITEM TITLE Amend Article X: Finance, Section 10.05(b) [First Reading] SUBMITTED BY Glen Thompson, Chair
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### SUMMARY STATEMENT

During the work session on 7/30/04, a discussion was held regarding Section 10.05(b) of the Charter. It was desired to bring back modified language to address the perceived problem of required fees for a large number of people for services performed by the government being instituted without a vote of the people. This item provides language addressing those concerns.

Article X, Section 10.05 (b) currently reads:

No increase in the rate of levy of a sales or use tax generally applied on an areawide, nonareawide, or service area basis shall become effective except by an ordinance adopted by the Assembly and ratified by a majority of the qualified voters who vote on the ordinance at a general or special election. If the increase in the rate of levy of the general sales or use tax is limited to a service area or is nonareawide, the vote is limited to those qualified to vote in the area. The Assembly may, by ordinance, but without ratification by the voters, increase the rate of transient occupancy taxes, create or terminate exemptions to the sales tax, change administrative procedures or fees, and increase the rate of levy of sales or use taxes on specifically designated goods or services.

If amended as proposed, Section 10.05 (b) would read:

No increase in the rate of levy of a sales or use tax generally applied on an areawide, nonareawide, or service area basis shall become effective except by an ordinance adopted by the Assembly and ratified by a majority of the qualified voters who vote on the ordinance at a general or special election. If the increase in the rate of levy of the general sales or use tax is limited to a service area or is nonareawide, the vote is limited to those qualified to vote in the area. Any proposed "fee" that is based upon or applicable to the physical location of a business or residence shall be considered a use tax for purposes of this section. The Assembly may, by ordinance, but without ratification of the voters, decrease any sales or use tax or change administrative procedures or fees. ~~The Assembly may, by ordinance, but without ratification by the voters, increase the rate of transient occupancy taxes, create or terminate exemptions to the sales tax, change administrative procedures or fees, and increase the rate of levy of sales or use taxes on specifically designated goods or services.~~

### RECOMMENDED ACTION:

"I move to amend Article X: Section 10.05 (b) to add the statement after the second sentence: 'Any proposed "fee" that is based upon or applicable to the physical location of a business or residence shall be considered a use tax for purposes of this section'; and to change the remainder of the section to read 'The Assembly may, by ordinance, but without ratification of the voters, decrease any sales or use tax or change administrative procedures or fees.'"