

# KETCHIKAN CHARTER COMMISSION

## AGENDA STATEMENT

NO       H-2      

MEETING OF September 10, 2004

ITEM TITLE Article X: Finance, Section 10.05 (b);  
Section 10.07; and New Section 10.08 (Second  
Reading) SUBMITTED BY Glen Thompson, Chair

### SUMMARY STATEMENT

During the course of the deliberations of the Charter Commission, the subject of a property tax cap has been discussed many, many times. It is felt by some that there should be some form of constraint placed within the Charter to require voter approval for any increase in property taxes.

During the discussion at the 9/3/04 meeting, a compromise was reached regarding the tax cap issue and the issue in the different procedures required for raising property and sales taxes.

### Recommended Action:

"I move to delete Section 10.05 (b) that describes sales tax increases.

Further, I move to amend Article X: Finance, Section 10.07 to read: The areawide property tax levy shall not exceed one (1%) percent (10 mills) of the assessed valuation of the property to be taxed. The voters may raise this limit by an affirmative vote of the majority of the voters participating in a special or regular election. This section shall not in any way limit the ability of the Municipality to meet its bonded obligations and in no event shall the property tax levy during a year exceed three percent (thirty mills) of the assessed value of the property in the Municipality.

Further still, I move to insert a new Article X: Finance, Section 10.08 – Taxation: Supermajority Requirement to Raise Taxes or Fees Limit, which will read:

Any ordinance or resolution that will increase fees, sales tax levies or property tax levies on an areawide, nonareawide or service area basis shall require the affirmative vote of two-thirds (2/3) of the Assembly or be approved by a majority of the qualified voters who vote on the ordinance or resolution at a general or special election. If the increase in the rate of levy of the general sales tax, use tax or fee is limited to a service area or is nonareawide, the vote is limited to those qualified to vote in that area.

Finally, all subsequent sections to the newly created Section 10.08 in Article X: Finance will be renumbered appropriately."