THE CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 23-1966

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; REPEALING ORDINANCE NO. 22- 1949; AMENDING SECTION 3.04.020 OF THE KETCHIKAN MUNICIPAL CODE ENTITLED "LEVY OF TAX" TO PROVIDE FOR A THREE PERCENT CONSUMER SALES TAX DURING THE PERIOD OF OCTOBER 1 THROUGH MARCH 31 AND A FIVE AND ONE-HALF PERCENT CONSUMER SALES TAX DURING THE PERIOD OF APRIL 1 THROUGH SEPTEMBER 30 AND A YEAR ROUND THREE PERCENT CONSUMER SALES TAX ON RESIDENTIAL RENTS; AMENDING SUBSECTION (B) AND ADDING NEW SUBSECTION (A) TO SECTION 3.04.040 OF THE KETCHIKAN MUNICIPAL CODE ENTITLED "TAX ADDED TO SALE PRICE;" AMENDING SUBSECTIONS (C) AND (D) OF SECTION 3.04.130 ENTITLED "USE OF PROCEEDS OF SALES TAX;" AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1. **Repeal**: Ordinance 22-1949 of the Ketchikan Municipal Code, entitled "Amending Subsection (A) of Section 3.04.020 of The Ketchikan Municipal Code Entitled "Levy of Tax" To Provide For A Three Percent Consumer Sales Tax During The Period of October 1 Through March 31 and A Five And One-Half Percent Consumer Sales Tax During The Period of April 1 Through September 30; Amending Subsection (B) of Section 3.04.040 Of The Ketchikan Municipal Code Entitled "Tax Added To Sales Price"; Amending Subsections (C) and (D) of Section 3.04.130 Entitled "Use Of Proceeds Of Sales Tax"; and Establishing An Effective Date," is hereby repealed in its entirety.

Section 2. **Amendment**: Section 3.04.020 of the Ketchikan Municipal Code, entitled "Levy of tax," is hereby amended to read as follows:

"3.04.020 Levy of tax.

(a) To the fullest extent permitted by law, a sales tax of three percent on sales made during the period of October 1 through March 31, and sales tax of five and one-half percent on sales made during the period of April 1 through September 30, is hereby assessed and levied on the following sales, except as otherwise specifically exempted under this chapter:

(1) All retail sales;
(2) All services;
(3) All rents and fees paid for the use of real and personal property except for residential rents.

(b) To the fullest extent permitted by law, a sales tax of three percent, is hereby assessed and levied on residential rents unless otherwise specifically exempt under this chapter. Rents for transient occupancies subject to taxation under the city's transient occupancy tax, Ketchikan Municipal Code Chapter 3.28 are not considered residential rents. Rents for such transient occupancies are subject to the sales tax imposed by subsection (a) of this section.

(c) In addition to tax levied and assessed under subsection (a) of this section, a sales tax of five percent is hereby levied and assessed on retail sales of marijuana, and retail sales of marijuana products."

Section 3. **Amendment**: Subsections (b) and (d) of Section 3.04.040 of the Ketchikan Municipal Code, entitled "Tax added to sales price," is hereby amended to read as follows:

"(b) Except as provided in subsections (c) and (d) of this section, sellers who are required to collect a sales tax for the city shall add the tax imposed in this chapter to the rental, sales price or service charge in strict accordance with the following schedule:

Sales	October 1 to March 31 - 3%	April 1 to September 30 - 5.5%
Under $0.25	$0.01	$0.01
$0.25 through 0.74	0.02	0.04
0.75 through 1.24	0.04	0.07
1.25 through 1.74	0.05	0.10
1.75 through 2.24	0.07	0.12
2.25 through 2.74	0.08	0.15
2.75 through 3.24	0.10	0.18
3.25 through 3.74	0.11	0.21
3.75 through 4.24	0.13	0.23
4.25 through 4.74	0.14	0.26
4.75 through 5.24	0.16	0.29
5.25 and over	Continue on same scale	Continue on same scale

Section 4. **New Subsection**: A new Subsection (d) of Section 3.04.040 of the Ketchikan Municipal Code, entitled ""Tax added to sales price," is hereby added to read as follows:

"(d) Sellers who are required to collect a sales tax for the city shall add the tax imposed on residential rents by Ketchikan Municipal Code 3.04.020(b) in accordance with the following schedule:

Sales	Tax
Under $0.25	$0.01
$0.25 through 0.74	0.02
0.75 through 1.24	0.04
1.25 through 1.74	0.05

1.75 through 2.24	0.07
2.25 through 2.74	0.08
2.75 through 3.24	0.10
3.25 through 3.74	0.11
3.75 through 4.24	0.13
4.25 through 4.74	0.14
4.75 through 5.24	0.16
5.25 and over	Continue on same scale

Section 5. **Amendment**: Subsection (c) of Section 3.04.130 of the Ketchikan Municipal Code, entitled "Use of proceeds of sales tax," is hereby amended to read as follows:

"(c) The proceeds (including penalty and interest) collected under this chapter which are derived from a one-half percent sales tax levy on sales made during the period of October 1 through March 31 and the proceed (including penalty and interest) collected under this chapter which are derived from a one and one-half percent sale tax levy on sales made during the period of April 1 through September 30 shall be expended for the purpose of providing public safety services."

Section 6. **Amendment**: Subsection (d) of Section 3.04.130 of the Ketchikan Municipal Code, entitled "Use of proceeds of sales tax," is hereby amended to read as follows:

"(d) The proceeds (including penalty and interest) collected under this chapter which are derived from a one and one-half percent sales tax levy for sales during the period of April 1 through September 30 and a one-half percent sales tax levy on residential rents under Ketchikan Municipal Code 3.04.020(b) shall be expended for the purposes of providing general government services."

Section 7. **Effective Date**. This ordinance is effective one (1) month after its final passage and publication.

PASSED ON FIRST READING February 16, 2023.

FINAL PASSAGE March 2, 2023.

Mark Flora, Vice-Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

EFFECTIVE DATE: April 1, 2023			
ROLL CALL	**YEA**	**NAY**	**ABS**
KISTLER	X		
BRADBERRY	X		
FLORA	X		
GAGE	X		
GASS	X		
MAHTANI		X	
FINNEGAN	X		
MAYOR			