

Submitted by: Chair of the Assembly at the Request of the
Mayor and Assembly Members Fairclough,
Kendall, Shamberg, Sullivan, Taylor,
Tesche, Traini, Van Etten, and
Von Gemmingen.
Prepared by: Finance Department
For reading: February 12, 2002

See AO 02-49(S)



ANCHORAGE, ALASKA
AO NO. 2002-49

AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE TO ENACT PROVISIONS FOR
THE LEVY, COLLECTION, ENFORCEMENT AND IMPLEMENTATION OF A SPECIAL ECONOMIC
DEVELOPMENT ROOM TAX DEDICATED TO FUNDING A NEW CIVIC AND CONVENTION CENTER
CONSISTENT WITH THE BALLOT PROPOSITION IN ANCHORAGE ORDINANCE NO. 2002-48 AND
THE USE OF THE SPECIAL ECONOMIC DEVELOPMENT TAX FUNDS DERIVED THEREFROM.

THE ANCHORAGE ASSEMBLY ORDAINS

Section 1. Anchorage Municipal Code section 12.20.020 is hereby amended to read as follows:

12.20.020 Levy, payment, collection and distribution of tax revenues.

A Subject to the provisions of this chapter, there is hereby levied a tax on all room rents as follows:

A[A]n amount equal to eight percent of the room rent paid to an operator [.] ; and

2. A special economic development tax in an amount equal to four percent of the room rent paid to an operator.

a. The tax levied under this subsection A.2. shall be referred to as the "special economic development tax".

b. If no bonds have been issued to finance the acquisition and construction of a new civic and convention center before January 1, 2008, the special economic development tax shall automatically expire on January 1, 2008.

c. If bonds have been issued to finance the acquisition and construction of a new civic and convention center, the revenue derived from the special economic development tax shall first be used to pay annual principal, interest and other carrying costs of said bonds until such bonds are paid in full.

d. The special economic development tax shall automatically expire on January 1 following the year in which the principal, interest and other carrying costs of said bonds is paid in full from tax revenues received from the special economic development tax.

B[1] The guest shall pay the tax to the operator at the time the rent is paid, provided however, that tax paid on rents which subsequently qualify for an exemption from this tax shall be refunded by the operator to the guest and shown as a credit on the guest's bill.

C[2] The operator shall collect the tax when the operator collects the rent and shall state the tax as a separate item on the guest's bill.

D[B] Total tax revenues received are dedicated as follows:

- 1.** One-half of the total tax revenues received from the eight percent tax in subsection A.1. of this section are dedicated to promotion of the tourism industry.
- 2.** Tax revenues received from the special economic development tax levied in subsection A.2. of this section are dedicated to financing the design, site selection, site acquisition, construction, bonded debt service and operation of a new civic and convention center until such tax expires.
 - a.** Tax revenues received from the special economic development tax shall be accounted for separately. Interest earned thereon shall be dedicated to the same purpose.
 - b.** Up to \$65,000 of the special economic development tax revenues collected during the first year shall be used to upgrade the municipal tax system.

E. Upon the expiration of the special economic development tax levied under subsection A.2. of this section, and after all outstanding costs related to financing a new civic and convention center have been paid, any unexpended and unencumbered special economic development tax revenues collected and accrued shall be contributed into the MOA Trust Fund (Fund 730).

Section 2. Property taxes shall not be used to finance the acquisition, construction or operation of a new civic and convention center. The revisor of ordinances shall insert this section in the Anchorage Municipal Codes as an editor's note.

Section 3. This ordinance shall become effective on January 1, 2003, if, but only if, the proposition in Anchorage Ordinance 2002-48 is approved by 60% of the qualified voters of the municipality voting on the proposition at the special Municipal election April 2, 2002.

PASSED AND APPROVED by the Anchorage Assembly this ____ day of _____, 2002

Chair

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2002-49 Title: An ordinance amending the Anchorage Municipal Code to enact provisions for the levy, collection, enforcement and implementation of a special economic development room tax dedicated to funding a new civic and convention center consistent with the ballot proposition in AO 2002-48 and the use of the special economic development room tax funds derived therefrom.

Preparing Agency: Finance Department

Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:					
(Millions of Dollars)					
	FY02	FY03	FY04	FY05	FY06
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services		\$65,000.			
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COSTS:		\$65,000.			
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:		\$65,000.			
REVENUES:	0	0	0	0	0

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

If the voters approved ballot ordinance AO 2002-48, Anchorage Ordinance 2002-49 will amend AMC 12.20.020 to add the special economic development tax. Since AO 2002-49 merely implements ballot ordinance AO 2002-48, no additional public sector economic impacts over and above those discussed in the SEE for AO 2002-48 are anticipated.

An amount not to exceed \$65,000 shall be used to upgrade the hotel-motel tax system for the AMC 12.20 room tax.

PRIVATE SECTOR ECONOMIC EFFECTS:

If the voters approved ballot ordinance AO 2002-48, Anchorage Ordinance 2002-49 will amend AMC 12.20.020 to add the special economic development tax. Since AO 2002-49 merely implements ballot ordinance AO 2002-48, no additional private sector economic impacts over and above those discussed in the SEE for AO 2002-48 are anticipated.

Prepared by: Daniel Moore, TreasurerTelephone: 343-4092Validated by OMB: Date: 2/12/02Approved by: Date: 2/12/02

(Director, Preparing Agency)

Concurred by: _____

(Director, Impacted Agency)

Approved by: _____

(Municipal Manager)

Date: _____



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
AM 165-2002

Meeting Date: February 12, 2002

From: Mayor

Subject: Implementation ordinance AO 2002-49 amending Chapter 12.20 to add the special economic development room tax for a new civic and convention center in the Municipality


The attached ordinance amends Anchorage Municipal Code Section 12.20.020 to add a special economic development room tax dedicated to financing the design, site selection, site acquisition, construction, bonded debt service and operation of a new Civic and Convention Center in the municipality until such time as the tax expires. Simultaneous with introduction of this Code change ordinance there is also a ballot proposition (AO 2002-48), which submits the new special economic development tax to the voters.

Highlights of the attached ordinance, amending AMC 12.20.020 include:

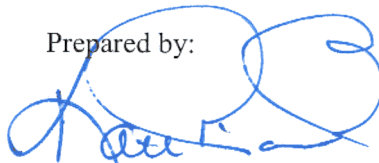
- Effective date January 1, 2003 upon certification of April 2, 2002 municipal election.
- Special economic development room tax automatically expires January 1, 2008 if no bonds have been issued to finance the acquisition and construction of a new civic and convention center.
- If bonds are issued, the special economic development room tax automatically expires when the bond indebtedness is paid in full from the special economic development room tax revenues.
- Upon expiration, any undisbursed special economic development tax revenues shall be contributed to the MOA Trust Fund (Fund 730).
- Section 12.20.020 is rearranged to add the new special economic development room tax and to clearly distinguish between the existing eight percent room tax and the four percent special economic development room tax.
- Property taxes shall not be used to finance the acquisition, construction or operation of a New Civic and Convention Center.
- An initial amount of \$65,000 of tax revenues collected will be used to upgrade the hotel-motel tax information system.

The Administration recommends approval of AO 2000-49.


Concurrence:


Harry J. Kieling, Jr.
Municipal Manager

Prepared by:


Kate Giard
Chief Fiscal Officer

Respectfully submitted,


George P. Wuerch
Mayor

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

10 2002-49

1	SUBJECT OF AGENDA DOCUMENT <i>2002-49</i> Enacting Ordinance to add the special economic development room tax for a new civic and convention center in the Municipality	DATE PREPARED <i>2/12/02</i>
		Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM
2	DEPARTMENT NAME Finance	DIRECTOR'S NAME Kate Giard
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER 343-6610
4	COORDINATED WITH AND REVIEWED BY	INITIALS DATE
	X Mayor	
	Heritage Land Bank	
	Merrill Field Airport	
	Municipal Light & Power	
	Port of Anchorage	
	Solid Waste Services	
	Water & Wastewater Utility	
	X Municipal Manager	<i>m</i> <i>2/12/2</i>
	Cultural & Recreational Services	
	Employee Relations	
	X Finance, Chief Fiscal Officer	<i>CF</i> <i>2/12/02</i>
	Fire	
	Health & Human Services	
	Office of Management and Budget	<i>CF</i> <i>2/12/02</i>
	Management Information Services	
	Police	
	Planning, Development & Public Works	
	Development Services	
	Facility Management	
	Planning	
	Project Management & Engineering	
	Street Maintenance	
	Traffic	
	Public Transportation Department	
	Purchasing	
	Municipal Attorney	<i>Dr</i> <i>2-12-02</i>
	Municipal Clerk	
	Other	
5	Special Instructions/Comments	
	<i>addendum</i> <i>9F.8 introduction</i>	
	<i>Received 2-12-02</i> <i>455 pm from Jerry</i> <i>Beall @ Chamber</i>	
6	ASSEMBLY HEARING DATE REQUESTED <i>2/21/02</i>	7
		PUBLIC HEARING DATE REQUESTED <i>2-26-02</i>