

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: March 5, 2002

CLERK'S OFFICE

APPROVED

Date: 3-5-02

ANCHORAGE, ALASKA
AO NO. 2002-49(S)

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:

1. 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 are 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.

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

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

5
6 1. One-half of the total tax revenues received from the eight percent tax in
7 subsection A.1. of this section are dedicated to promotion of the tourism industry.

8
9 a. Of the remaining tax revenues generated pursuant to subsection A.1.
10 not more than \$730,000 per year, subject to appropriation, may be
11 used to support all current or future convention center operations.

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13 b. In the event that current or future convention center operations need
14 financial support in addition to the amounts appropriated therefor
15 by the Municipality, such additional support may be paid only from
16 the tax revenues received by the Municipality pursuant to subsection
17 A.1. which are dedicated by subsection D.1. to the promotion of
18 tourism.

19
20 2. Tax revenues received from the special economic development tax levied in
21 subsection A.2. of this section are dedicated to financing the design, site
22 selection, site acquisition, construction, bonded debt service, other carrying
23 costs, and operation of a new civic and convention center until such tax expires.

24
25 a. Tax revenues received from the special economic development tax shall
26 be accounted for separately. Interest earned thereon shall be dedicated to
27 the same purpose.

28 b. Tax revenues received from the economic development tax
29 may be used to pay for the operation of a new civic and
30 convention center as provided for in subsection D.2. of this
31 section, but only:

32 i. If there are revenues in excess of the amounts
33 necessary to first pay the annual principle, interest
34 and other carrying costs of bonds as provided in
35 subsection A.2.c. of this section; and

36 ii. Only until the special economic development tax
37 expires pursuant to subsection A.2.d. of this section.

38
39 c. Up to \$65,000 of the special economic development tax revenues
40 collected during the first year shall be used to upgrade the municipal tax
41 system.

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43
44 E. Upon the expiration of the special economic development tax levied under subsection
45 A.2. of this section, and after all outstanding costs related to financing a new civic and
46 convention center have been paid, any unexpended and unencumbered special economic
47 development tax revenues collected and accrued shall be contributed into the MOA Trust
48 Fund (Fund 730).
49

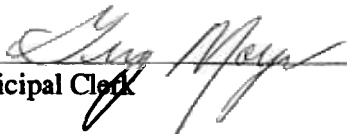
Section 2. Property taxes shall not be used to finance the acquisition, construction or operation of a new civic and convention center. The revisor of ordinances shall insert this section in the Anchorage Municipal Codes as an editor's note.

Section 3. This ordinance shall become effective on January 1, 2003, if, but only if, the proposition in Anchorage Ordinance 2002-48(S) 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 5 day of March, 2002.


Chair

ATTEST:


Municipal Clerk