CLERK'S OFFICE AMENDED AND APPROVED Date: 12-11-03

Submitted by: Assemblymember Tremaine Prepared by: Department of Assembly For reading: December 2, 2003

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ANCHORAGE, ALASKA AO NO. 2003–165, as amended

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.20 TO REVISE THE DEFINITION OF OPERATOR TO INCLUDE BED & BREAKFAST AND OTHER ESTABLISHMENTS WITH 3 OR FEWER ROOMS FOR RENT AND ADDING PROVISIONS RELATING TO ADMINISTRATION OF THE CHAPTER.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code section 12.20.010 is hereby amended to read as follows (the remainder of this section is not affected by this ordinance and is therefore not set out):

12.20.010 Definitions.

Operator means a person who owns, operates or controls any facility in which there is rented or offered for rent one or more [THAN THREE] rooms, the rent for which is, or absent an exemption under this chapter would be, taxable under this chapter.

- 1. Exempt operator is an operator who has qualified for an exemption under and has fulfilled the requirements of section 12.20.025.
- 2. Persons misrepresenting themselves to the public as being an operator under this chapter shall be subject to and comply with all the duties and responsibilities of an operator as set forth in this chapter.

(GAAB 10.20.010; AO No. 84-40; AO No. 86-210; AO No. 96-103, § 1, 4-1-97; AO.No. 97-3, § 1, 4-1-97; AO No. 97-68(S), §§ 1, 2, 5-6-97; AO No. 2003-102)

AM 999-2003 / AIM 109-2003

12.20	0.032	Seasonal Certificate of Registration.
<u>A.</u>	perso	section shall apply, and a seasonal certificate of registration is available, only to ons meeting the definition of Operator in section 12.20.010, that rent three or fewers, and that rent during a period of up to 180 days in a calendar year.
	<u>1.</u>	A Seasonal Certificate of Registration issued under this section shall no automatically expire when the business, for seasonal reasons, temporarily ceases to rent rooms. The certificate shall, however, automatically expire when the business closes permanently.
	<u>2.</u>	A Seasonal Certificate of Registration issued by the Department will include information set forth in subsection 12.20.030C. and shall also state the period of time up to 180 days during which the Operator intends to allow guests to occupy rooms rented at the registered lodging facility.
	<u>3.</u>	An Operator possessing a valid Seasonal Certificate of Registration issued by the Department shall comply with all requirements set forth in subsection 12.20.050A. except that such Operator is not required to file a tax return(s covering the calendar quarter(s) outside of the declared period in subsection A.2 above when no rooms have been rented during that calendar quarter.
<u>B.</u>	Certi	other provisions of Chapter 12.20 shall apply to an Operator with a Seasona ficate of Registration, except as to expiration and tax return due dates, set forthin this section.
section 3. o read as fo		norage Municipal Code is hereby amended by adding a new subsection 12.20.035H
	0.032	Security for fiduciary performance.
***		***
<u>E.</u>	havii	rity for fiduciary performance under this section may be waived for an operator ing three or fewer rooms for rent provided the operator files a tax return and remits all amount of tax due by the due dates prescribed in this chapter.

MUNICIPALITY OF ANCHORAGE Summary of Economic Effects -- General Government

AO Number: 2003-165

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER

12.20 TO REVISE THE DEFINITION OF OPERATOR TO INCLUDE BED &

Sponsor: Tremaine

BREAKFAST AND OTHER ESTABLISHMENTS WITH 3 OR FEWER

Preparing Agency: Assembly ROOMS FOR RENT AND ADDING PROVISIONS RELATING TO

Others Impacted: Municipal Finance ADMINISTRATION OF THE CHAPTER.

CHANGES IN EXPENDITURES AND REVENUES:				(In Thousands of Dollars)						
	F\	/03		FY04		FY05		FY06		FY07
Operating Expenditures 1000 Personal Services	\$	-	\$	46,600	\$	48,930	\$	51,377	\$	53,946
2000 Non-Labor 3900 Contributions 4000 Debt Service		-		_		_		_		-
TOTAL DIRECT COSTS:	\$	-	\$	46,600	\$	48,930	\$	51,377	\$	53,946
Add: 6000 Charges from Others Less: 7000 Charges to Others										
FUNCTION COST:	\$	-	\$	46,600	\$	48,930	\$	51,377	\$	53,946
REVENUES:	\$	-	\$	229,950	\$	306,600	\$	306,600	\$	306,600
CAPITAL:	\$	-	\$	-	\$	<u>-</u>	\$	-	\$	-
POSITIONS: FT/PT and Temp				1 FT						

PUBLIC SECTOR ECONOMIC EFFECTS:

It is anticipated that the additional hotel/motel tax collected would result in an increase in tax receipts of \$306,600 annually. General Government would receive 50% of that amount. To assist in collection of the taxes it would be necessary to hire one additional position at a Grade 9 level, \$46,600. Therefore the net increase in revenue would be \$260,000. In out years personnel costs would increase at a rate of 5% each year due to merit step increases and additional increases due to negotiated salary adjustments.

PRIVATE SECTOR ECONOMIC EFFECTS:

Availability of goods and services will not be impacted by this ordinance. The price paid by individuals to rent rooms in small B&B's will increase by 8% to include payment of the tax. The primary cost to businesses will be in terms of added time spent reporting and submitting tax revenues to the Municipality.

Prepared by: Richard M. Gutierrez Telephone: 343-4763

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MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

NO. AM 999-2003

Meeting Date: December 16, 2003

From:

Assemblymember Tremaine

Subject:

AO 2003-165, AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.20 TO REVISE THE DEFINITION OF OPERATOR TO INCLUDE BED

AND BREAKFAST AND OTHER ESTABLISHMENTS WITH 3 OR FEWER ROOMS FOR RENT AND ADDING PROVISIONS RELATING TO

ADMINISTRATION OF THE CHAPTER.

Attached is the required Summary of Economic Effects to accompany AO 2003-165. The AO will, if approved, will redefine "operator" in Anchorage Municipal Code Chapter 12.20 to include bed & breakfast establishments with three or fewer rooms.

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Respectfully submitted,

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Assemblymember Tremaine

Prepared by:

Mike Gutierrez, Utility Analyst

Budget and Legislative Services Office

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MUNICIPALITY OF ANCHORAGE ASSEMBLY INFORMATION MEMORANDUM

NO. 109-2003

Meeting Date: DECEMBER16, 2003

From:	Assemblymember	Tremaine
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Subject: SUMMARY OF ECONOMIC EFFECTS FOR AO 2003-165: AN

ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.20 TO REVISE THE DEFINITION OF OPERATOR TO INCLUDE BED & BREAKFAST AND OTHER ESTABLISHMENTS WITH 3 OR FEWER ROOMS FOR RENT AND ADDING PROVISIONS RELATING TO

ADMINISTRATION OF THE CHAPTER

The Summary of Economic Effects for AO 2003-165 has been revised to reflect more accurate data provided by the Finance Department and is provided for your information.

Respectfully submitted,

Prepared by:

Assemblymember Tremaine

Balan Som-for

Mike Gutierrez, Utility Analyst

MUNICIPALITY OF ANCHORAGE Summary of Economic Effects -- General Government

AO Number: 2003-158

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER

12.20 TO REVISE THE DEFINITION OF OPERATOR TO INCLUDE BED &

Sponsor: Tremaine Preparing Agency: Assembly BREAKFAST AND OTHER ESTABLISHMENTS WITH 3 OR FEWER ROOMS FOR RENT AND ADDING PROVISIONS RELATING TO

Others Impacted: Finance ADMINISTRATION OF THE CHAPTER.

CHANGES IN EXPENDITURES AND REVENUES:				(In Thousands of Dollars)						
	F۱	/03		FY04		FY05		FY06		FY07
Operating Expenditures										
1000 Personal Services	\$	-	\$	46,600	\$	48,930	\$	51,377	\$	53,946
2000 Non-Labor		-								
3900 Contributions		-								
4000 Debt Service		-		-		-		-		-
TOTAL DIRECT COSTS:	\$		\$	46,600	\$	48,930	\$	51,377	\$	53,946
Add: 6000 Charges from Others										
Less: 7000 Charges to Others										
FUNCTION COST:	\$	-	\$	46,600	\$	48,930	\$	51,377	\$	53,946
REVENUES:	\$	-	\$	122,000	\$	152,000	\$	152,000	\$	152,000
CAPITAL:	\$	-	\$	-	\$	•	\$	-	\$	
POSITIONS: FT/PT and Temp				1 FT						

PUBLIC SECTOR ECONOMIC EFFECTS:

It is anticipated that the additional hotel/motel tax collected would result in an increase in tax receipts of \$350,000 annually. To assist in collection of the taxes, it would be necessary to fill one additional position at a Grade 9 level. Therefore, the net increase in revenue would be \$304,000. General Government would receive 50% of that amount. In out years, personnel costs would increase at a rate of 5% each year due to merit step increases and possible additional increases due to negotiated salary adjustments.

PRIVATE SECTOR ECONOMIC EFFECTS:

Availability of goods and services will not be impacted by this ordinance. The price paid by individuals to rent rooms in small B&B's will increase by 8% to include payment of the tax. The primary cost to businesses will be in terms of added time spent reporting and submitting tax revenues to the Municipality.

Prepared by:

Mike Gutierrez - Budget and Legislative Services

Telephone:

343-4763

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AMMENDMENTS TO AO 2003-165

- 1. Delete lines 23 through 27 on page 2 of AO 2003-165.
- 2. Renumber Section 3 to 4 and add a new Section 3 that reads as follows:

Anchorage Municipal Code is hereby amended by Adding a new subsection 12.20.035E. to read as follows:

Security for fiduciary performance under this section may be waived for an operator having three or fewer rooms for rent provided the operator files a tax return and remits the full amount of tax due by the due dates prescribed in this chapter.