

Submitted by: Chair of the Assembly at the Request  
of the Mayor

Prepared by: Department of Finance

For reading: July 12, 2005

CLERK'S OFFICE

APPROVED

Date: 7/26/05

ANCHORAGE, ALASKA

No. AO 2005-92

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.45.010  
2 REGARDING RENTAL TAX ON RENTAL OF MOTOR VEHICLES, TO ADD A NEW  
3 EXCEPTION TO THE DEFINITION OF FEES AND COSTS.

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4  
5 THE ANCHORAGE ASSEMBLY ORDAINS:

6  
7 **Section 1.** Anchorage Municipal Code section 12.45.010 is hereby amended as follows (*the*  
8 *remainder of the section is not affected and therefore not set out*):  
9

10 **12.45.010**      **Definitions.**

11 \*\*\*      \*\*\*      \*\*\*

12  
13 *Fees and costs* means the value of all charges incurred by the renter, other than the tax prescribed  
14 by this chapter, for the use of a motor vehicle, regardless of whether paid in the form of money,  
15 property, or services, except for only the following items if separately stated on the rental  
16 contract or other document invoicing payment:

- 17
- 18            1. Fees from the sale of automobile liability insurance, loss damage waiver  
19            insurance, and personal accident insurance;
  - 20
  - 21            2. Parking tickets;
  - 22
  - 23            3. The amount of any sales tax, so-called "luxury tax", consumer excise tax, gross  
24            receipts tax, or other similar tax imposed by the United States, the State of  
25            Alaska, or the Municipality;
  - 26
  - 27            4. Payments received by the rental agency from the renter or the renter's insurance  
28            provided for damage to a motor vehicle when the damage was incurred during the  
29            rental period;
  - 30
  - 31            5. Personal property other than items that are permanently affixed to the motor  
32            vehicle. Personal property does not include pickup truck shells or campers  
33            mounted on the motor vehicle, or trailers designed, constructed, or used primarily  
34            for dwelling;
  - 35
  - 36            6. The amount of the concession fee paid to the Ted Stevens Anchorage  
37            International Airport; [AND]
  - 38
  - 39            7. Fueling charges; and
  - 40
  - 41            8. Customer facility charges and customer facility maintenance charges set under  
42            AS 02.15.090.

\*\*\*    \*\*\*    \*\*\*

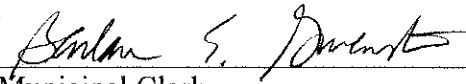
(AO No. 2000-116(S), § 1, 7-18-00)

**Section 2.** This ordinance, upon passage and approval by the Assembly, shall become effective retroactive to June 24, 2005, the effective date of the state commissioner's order pursuant to AS 02.15.090.

PASSED AND APPROVED by the Anchorage Assembly this 26<sup>th</sup> day of July, 2005.

  
Chair

ATTEST:

  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

AO Number: 2005-92

**TITLE: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL  
CODE SECTION 12.45.010 REGARDING RENTAL TAX ON  
RENTAL OF MOTOR VEHICLES, TO ADD A NEW EXCEPTION  
TO THE DEFINITION OF FEES AND COSTS.**

Preparing Agency: Finance Department  
Others Impacted:

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**CHANGES IN EXPENDITURES AND REVENUES:** (Millions of Dollars)

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	FY02	FY03	FY04	FY05	FY06
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Operating Expenditures  
    1000 Personal Services  
    2000 Supplies  
    3000 Other Services  
    4000 Debt Service  
    5000 Capital Outlay

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**TOTAL DIRECT COSTS:**

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Add: 6000 Charges from Others  
Less: 7000 Charges to Others

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**FUNCTION COST:**

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REVENUES:	0	0	0	0	0
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**CAPITAL:**

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POSITIONS: FT/PT and Temp.

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**PUBLIC SECTOR ECONOMIC EFFECTS:**

The potential revenue from taxing the State's new customer facility charges and customer facility maintenance charges is minimal.

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**PRIVATE SECTOR ECONOMIC EFFECTS:**

Excepting the State's new customer facility charges and customer facility maintenance charges from fees and costs maximizes consistency between the tax basis used by the State of Alaska and the Municipality. Consistency in the definition of the tax basis reduces the administrative burden on rental agencies in tracking taxable vs. nontaxable fees, costs and taxes as well as training costs for customer service and accounting personnel.

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Prepared by: Daniel Moore, Treasurer

Telephone: 343-4092



**MUNICIPALITY OF ANCHORAGE  
ASSEMBLY MEMORANDUM**

**No. AM 486 -2005**

Meeting Date: July 12, 2005

1 **From: MAYOR**

2  
3 **Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION**  
4 **12.45.010 REGARDING RENTAL TAX ON RENTAL OF MOTOR VEHICLES,**  
5 **TO ADD A NEW EXCEPTION TO THE DEFINITION OF FEES AND COSTS**  
6

7 This ordinance adds an additional exception to rental tax of motor vehicles in Anchorage Municipal  
8 Code (AMC) section 12.45.010. The exception excludes new State of Alaska fees, customer facility  
9 charges and customer facility maintenance charges, from the definition of "fees and costs." The  
10 customer facility charges will repay revenue bonds to be issued for the construction of a facility at  
11 Anchorage International Airport for rental vehicle agencies operating at the airport, and the customer  
12 facility maintenance charges will pay for ongoing operations and maintenance costs of the facility.  
13

14 Excepting these charges is:

- 15
- 16 • Consistent with the treatment given these charges by the State under its rental vehicle tax under
- 17 AS 43.52.099;
- 18 • Consistent with the intent of the municipality's existing exception under the definition of "fees
- 19 and costs" for the airport concession fee; and
- 20 • Consistent with the intent of the municipality's existing exception under the definition of "fees
- 21 and costs" on taxes imposed by the United States, State of Alaska or the Municipality.
- 22
- 23

24 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AMENDING  
25 SECTION 12.45.010 TO ADD AN EXCEPTION TO THE DEFINITION OF FEES AND COSTS  
26 REGARDING RENTAL TAX ON RENTAL OF MOTOR VEHICLES.  
27

28 Prepared by: Jeffrey E. Sinz, Chief Fiscal Officer  
29 Concurrence: Denis C. LeBlanc, Municipal Manager  
30 Respectfully submitted: Mark Begich, Mayor  
31

**Content Information****Content ID :** 003055**Type:** Ordinance - AO

An Ordinance Amending AMC Section 12.45.010 Regarding

**Title:** Rental Tax on Rental of Motor Vehicles, to add a New Exception to the Definition of Fees & Costs, Finance**Author:** curtiscr2**Initiating Dept:** Finance**Keywords:** Rental Tax, Motor Vehicles, Exception, Fees & Costs**Date Prepared:** 7/8/05 11:50 AM**Director Name:** Jeffrey E. Sinz**Assembly Meeting**  
**Date MM/DD/YY:** 7/12/05**Requested Public**  
**Hearing Date** ~~8/9/05~~ 7/26/05  
**MM/DD/YY:**M.O.A.  
2005 JUL -8 PM 12:55  
CLERKS OFFICE**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	7/8/05 11:53 AM	Checkin	pruittns	Public	003055
Finance_SubWorkflow	7/8/05 11:56 AM	Approve	sinzje	Public	003055
OMB_SubWorkflow	7/8/05 11:58 AM	Approve	mitsonjl	Public	003055
Legal_SubWorkflow	7/8/05 11:59 AM	Approve	fehlenrl	Public	003055
MuniManager_SubWorkflow	7/8/05 12:22 PM	Checkin	curtiscr2	Public	003055
MuniManager_SubWorkflow	7/8/05 12:24 PM	Checkin	curtiscr2	Public	003055
MuniMgrCoord_SubWorkflow	7/8/05 12:29 PM	Approve	curtiscr2	Public	003055
MuniManager_SubWorkflow	7/8/05 12:29 PM	Approve	leblancdc	Public	003055