

MATANUSKA-SUSITNA BOROUGH

350 East Dahlia Avenue, Palmer, Alaska 99645-6488 - 907-745-9683

BOROUGH MAYOR

Timothy L. Anderson

BOROUGH CLERK

Michelle M. McGehee, CMC

BOROUGH MANAGER

John Duffy

BOROUGH ATTORNEY

Teresa S. Williams



BOROUGH ASSEMBLY

Lynne Woods, District 1

Bill Allen, District 2

Talis J. Colberg, District 3

Mary Kvalheim, District 4

Jody Simpson, District 5

Jim Colver, District 6

Betty Vehrs, District 7

ASSEMBLY AGENDA **SPECIAL MEETING** **ASSEMBLY CHAMBERS** **350 E. DAHLIA AVENUE, PALMER**

SPECIAL MEETING

6:30 P.M.

THURSDAY, JUNE 23, 2005

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA
- IV. PLEDGE OF ALLEGIANCE
- V. SPECIAL ORDERS (to begin at 7 p.m.)
 - A. PUBLIC HEARINGS (Three minutes per person.)
 1. Ordinance Serial No. 05-065: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO LEVY A SALES TAX NOT EXCEEDING 2 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH, AND TO SUBMIT THE QUESTION OF THE LEVYING OF THE SALES TAX TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 4, 2005, REGULAR BOROUGH ELECTION.
 - a. Ordinance Serial No. 05-066: AN ORDINANCE ADOPTING MSB 3.35, A UNIFORM SALES TAX.
 - (1) IM No. 05-113

2. Ordinance Serial No. 05-069: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO LEVY A SEVERANCE TAX NOT EXCEEDING \$0.25 PER YARD OF MATERIAL, \$0.25 PER SHORT TON OF COAL AND \$2.50 PER ACRE OF TIMBER, AND SUBMITTING THE QUESTION OF THE LEVYING OF THE SEVERANCE TAX TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 4, 2005, REGULAR BOROUGH ELECTION.
 - a. Ordinance Serial No. 05-067: AN ORDINANCE ESTABLISHING A TAX ON A NATURAL RESOURCE WHENEVER THE NATURAL RESOURCE IS SEVERED AND SOLD FROM PROPERTY WITHIN THE MATANUSKA-SUSITNA BOROUGH AND PROVIDING FOR PENALTIES FOR FAILURE TO PAY TAXES DUE BY ADOPTING MSB 3.55, NATURAL RESOURCE SEVERANCE TAX.
 - (1) IM No. 05-114

VI. AUDIENCE PARTICIPATION

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

VIII. ADJOURNMENT

NON-CODE ORDINANCE

By: Borough Manager
Introduced: 06/14/05
Public Hearing: 06/23/05
Adopted: 06/23/05
Motion to Reconsider Failed: 06/23/05

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 05-069**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO LEVY A SEVERANCE TAX NOT EXCEEDING \$.25 PER YARD OF MATERIAL, \$.25 PER SHORT TON OF COAL AND \$2.50 PER ACRE OF TIMBER, AND SUBMITTING THE QUESTION OF THE LEVYING OF THE SEVERANCE TAX TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER, 4, 2005, REGULAR BOROUGH ELECTION.

WHEREAS, the property owners of the Borough bear the major burden of the cost of local government; and

WHEREAS, large quantities of natural resources are extracted and exported from the Borough; and

WHEREAS, severance taxes for the extraction, exportation and sale of natural resources is a common revenue source in other municipalities and states; and

WHEREAS, an areawide severance tax will establish an additional revenue source for local government for transportation capital project, thus mitigating the tax impact on property owners in the Matanuska-Susitna Borough; and

WHEREAS, the Assembly has determined that it is in the best interest of the public to have more diversified revenue sources to fund the provision of local government transportation projects and/or transportation-related bonded indebtedness.

BE IT ENACTED:

Section 1. Classification. This is a non-code ordinance.

Section 2. Submission to voters. The Borough shall submit the following proposition to the qualified voters at the regular Borough election on October 4, 2005. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 1

**Severance Tax
(Boroughwide, Including Cities)**

Shall the Matanuska-Susitna Borough:

Levy a severance tax on the sale of natural resources not exceeding \$.25 per cubic yard of material, \$.25 per short ton of coal and \$2.50 per acre of timber severed from property within the Matanuska-Susitna Borough, as more fully described in Ordinance Serial No. 05-067(AM)?

_____ **YES**

_____ **NO**

Section 3. Effective date. The proposition in section 2 of this ordinance shall take effect on January 1, 2006, only if it is approved by a majority of the qualified voters voting on the proposition at the regular Borough election on October 4, 2005. The remaining sections of the ordinance shall take effect upon adoption by the Matanuska-Susitna Borough Assembly.

ADOPTED by the Matanuska-Susitna Borough Assembly this 23 day
of June, 2005.

/s/

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/s/

MICHELLE M. MCGEHEE, CMC, Borough Clerk

(SEAL)

YES: Woods, Allen, Colberg, Kvalheim, and Vehrs

NO: Simpson