

CODE ORDINANCE

By: Borough Manager
Introduced: 07/17/07
Public Hearing: 08/07/07
Defeated: 08/07/07

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 07-113**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ENACT AN AREAWIDE REAL PROPERTY TAX LIMIT OF 7.8 MILLS, TO ENACT AN AREAWIDE SALES TAX NOT EXCEEDING 3 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH, ENACT AN AREAWIDE RESIDENTIAL REAL PROPERTY TAX EXEMPTION OF \$10,000 OF ASSESSED VALUE, PROVIDE A SUNSET OF THE PROVISION, AND TO SUBMIT THE QUESTIONS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 2, 2007, REGULAR BOROUGH ELECTION.

WHEREAS, the tax burden in the Matanuska-Susitna Borough has been primarily borne by the real property owners; and

WHEREAS, this method of taxation has caused the property owners of the Borough to bear the major burden of the cost of local government; and

WHEREAS, an areawide sales tax will establish an additional revenue source which will be utilized to reduce the mill rate; and

WHEREAS, the Assembly has determined that it is in the best interest of the public to have more diversified revenue sources; and

WHEREAS, it is the desire of the Assembly to offset existing property taxes by capping the areawide mill rate at 7.8 mills with this ordinance; and

WHEREAS, it is also the desire of the Assembly to provide additional tax relief to taxpayers by exempting \$10,000 of assessed value of a resident's primary residence; and

WHEREAS, this ordinance will sunset on June 30, 2011.

BE IT ENACTED:

Section 1. Classification. Section 2 of this ordinance is of a general and permanent nature and shall become a part of the borough code. Sections 1, 3, and 4 are non-code provisions.

Section 2. Adoption of Section. MSB 1.10.170, Areawide Sales Tax, is hereby adopted to read as follows:

1.10.170 AREAWIDE SALES TAX.

(A) The Matanuska-Susitna Borough may exercise the power to levy and collect a sales tax of not to exceed 3 percent on sales, services, and rentals of \$500 or less within the Borough. This provision automatically expires on June 30, 2011.

Section 3. Submission to the voters. The Borough shall submit the following proposition to the qualified voters at the regular Borough election on October 2, 2007. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. _____

**Areawide Property Tax Limitation
3 Percent Areawide Sales Tax
(Boroughwide, including Cities)
Residential Property Tax Exemption**

**Shall the Matanuska-Susitna Borough be authorized
to adopt the following:**

1. Enact an areawide real property tax limit of 7.8 mills, except taxes required to fund the cost of judgments entered against the borough, or any issues or increases authorized by the voters;
2. Enact an areawide sales tax not to exceed 3 percent on sales, services and rentals of \$500 or less within the borough;
3. Enact an areawide residential real property tax exemption in the amount of \$10,000 of assessed value on the primary residence; and
4. Provide for the automatic expiration of all of the foregoing on June 30, 2011?

This proposition is non-severable, i.e., if any one of the provisions is overturned or repealed for any reason, then the entire proposition is repealed. A "yes" vote approves the property tax limitation, sales tax, and residential exemption and implements Proposition No. ____

Yes_____

No_____

Section 4. Effective date. Section 2 of this ordinance shall take effect on March 1, 2008, only if the proposition described in section 3 is approved by a majority of the qualified voters voting on the proposition at the regular Borough election on October 2, 2007. The remaining sections of the ordinance shall take effect upon adoption by the Matanuska-Susitna Borough Assembly.

DEFEATED by the Matanuska-Susitna Borough Assembly this 7 day of August, 2007.

YES: Woods, Allen, Wells

NO: Church, Kvalheim, Kluberton

(Tie vote)