



MATANUSKA-SUSITNA BOROUGH

Borough Mayor

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DATE: July 29, 2009
TO: Members of the Assembly
FROM: Talis J. Colberg, Borough Mayor
SUBJECT: Ordinance Serial Nos. 09-055(SUB) and 09-056

I am vetoing the ordinance.

I am not unmindful that the assembly vote (5-2) was sufficient to override a veto. However, I do think that this is an opportunity to pause and reconsider the consequences of creating this new tax.

This is not simply about revenue diversification. It is an increase in taxes as evidenced by the amendments and accompanying assembly discussion. The effort to make the tax "revenue neutral" essentially ends after the first year if it happens at all. A thirty percent rise in assessments will erase any short term "savings" from the proposed reduced mil rate. Assessments are not stationary. Promises of tax caps and special funds for excess revenue are not binding.

This tax is a reallocation of more taxes on the working poor in the midst of serious recession. The tax is a windfall for non-resident property owners who will pay no sales tax. The tax amplifies the incentive to move commerce out of the two largest cities in the borough. In the end there will be two streams of revenue and less ability to control spending and growth in government.



TALIS J. COLBERG, Borough Mayor