

City Council Talks About Raising Alcohol Tax

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Casey
Kelly/KMXT

The City of Kodiak is considering an increase to its sales tax on alcoholic beverages to pay for soaring construction costs for a new police station and jail. KMXT's Casey Kelly has more.

The latest engineers' estimate for Kodiak's new police station and jail project is about 22.8 million dollars. That's almost 6-million dollars more than the last estimate released earlier this year. City Manager Linda Freed says the city doesn't have the extra money lying around to pay for the project. So she's proposing that voters approve 6-million dollars in general obligation bonds. To pay down the debt on the bonds she wants to raise the city's sales tax on alcohol from six cents per dollar to ten. She says there are two thoughts behind her proposal.

(Booze Tax 1 :24s "alcohol is not a necessity.")

The City Council is weighing two options for raising the tax on alcohol. Under the first option, the council itself would raise the tax. But under the second option, voters would be asked to decide on the tax increase at the October municipal election. Both items are up for first reading at a special council meeting Thursday night. Freed says she's recommending that the council pass both in first reading, then use public input from a second reading and public hearing at its July 24th regular meeting to decide how to move forward.

(Booze Tax 2 :34s "two options to do it.")

City Councilman Jack Maker says he hasn't made up his mind on whether the council should implement the tax itself, let voters decide, or come up with some other alternative.

(Booze Tax 3 :22s “…debate
for the council.”)

Maker says he’s been trying to get
a sense of how people in the community feel about the possibility of paying
more for alcohol in order to fund a new police station.

(Booze Tax 4 :27s “…a
vote for the people.”)

He says he’s hoping to hear more at
the city council’s work session Tuesday and between now and when the council
votes on which option it wants to move forward with later this month.

I’m Casey Kelly.

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