

## Council Suggests Deleting Sunset on Sales Tax Increases

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Brianna Gibbs/KMXT

A sunset provision that would lower the sales tax on Dec. 31 will more than likely be eliminated by the Kodiak City Council. During the council's work session on Tuesday City Manager Aimee Kniazowski explained the looming expiration of two decades worth of sales tax increases.

Kniazowski said the council adopted an ordinance back in 1993 that increased the sales tax and dedicated specific portions of that revenue to various city projects.

"Road improvement, capital equipment, park construction and port and harbor capital. So that started out back in '93. And then it was adjusted, amended, changed in 2003 by ordinance 1155, and identified this 2 percent sales tax that would be collected and go to those identified funding sources."

That ordinance is set to expire on the last day of the year and Kniazowski said she spoke with City Clerk Deb Marlar about the matter.

"So Debbie and I talked and we looked at the language in that ordinance and had Tom Klinkner take a look at it. And he explained that certainly council can do whatever they'd like to do. But he says based on his reading of the history of that section of the code and the sunset provision, the sunset date, if it isn't extended or deleted, he says beginning January of 2014 the general sales tax rate will automatically go to 5 percent."

If it does expire, the funding that helps pay for things like road improvements and harbor projects will significantly decrease, or be taken from other areas of the city's budget.

During the work session most council members agreed that the sunset clause should just be deleted, rather than extended. The council will most likely vote on that action at a future meeting.

