

Introduced by: Council Member  
Keppel  
Date May 13, 2008  
Public Hearing: May 27, 2008  
Action: Failed  
Vote: 0-6

## *CITY OF BETHEL, ALASKA*

### **ORDINANCE #08-07**

#### **AN ORDINANCE AUTHORIZING A SALES TAX EXEMPTION FROM CITY SALES TAX ON FUEL PURCHASED FROM THE COMBINED TANK FARM, SERVING BETHEL, TO BETHEL UTILITY CORPORATION.**

**WHEREAS,** The people desire relief from the devastating cost of living, and;

**WHEREAS,** The cost of living in Bethel has driven residents to relocate to different areas of the State of Alaska, or even the lower 48 States, and;

**WHEREAS,** The State demographer has shown a substantial decrease in the population of Bethel, and;

**WHEREAS,** The value of residential property continues to decline, to the point that homes are sitting open, rentals are sitting vacant, the City loses income from lost sales of public utilities and all the other usual avenues provided by services or sales from licensed City vendors or landlords, and;

**WHEREAS,** The City makes revenue on each gallon of refined fuel that passes through the City Dock Header in the following ways, 4% thru put fee, 6% on retail cost and 6% on gallons delivered, and;

**WHEREAS,** The City compounds all of these taxes on the cost of fuel sold to Bethel Utilities Corporation (BUC), that does nothing more than take a product that has three forms of income to the City and produce another product which is a public necessity and then taxes the end product, with all of BUC's production costs inclusive, another 6% sales tax, and;

**WHEREAS,** The public can not afford all of the multiple taxation's on the cost of electricity, which is a necessity of life,

**NOW, THEREFORE BE IT ORDAINED** by the City Council of Bethel Alaska as follows:

**SECTION 1. Classification.** The City of Bethel hereby grants a permanent, specific tax exemption to Bethel Utilities Corporation, from taxation on the purchase of fuel used to power the generators that produce the power for the public utility grid.

**Section 2.** Authority is granted and guaranteed in the Bethel Municipal Code 4.16.040, paragraph K.

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**SECTION 3. Effective Date.** This section shall become effective upon passage by the Bethel City Council on July 1, 2008.

**ENACTED THIS DAY OF MAY, 2008, BY A VOTE OF 0 IN FAVOR AND 6 OPPOSED.**

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Eric Middlebrook, Mayor

ATTEST:

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Lori Strickler, City Clerk