

## *CITY OF BETHEL, ALASKA*

### **Ordinance #17-24**

#### **AN ORDINANCE AMENDING BETHEL MUNICIPAL CODE 4.16.030, IMPOSITION-RATE REDUCING SALES TAX FROM 6% TO 5.75%**

**Whereas,** Bethel City Council Raised Water and Sewer Rates effective January 1, 2015;

**Whereas,** the intent of the raised rates is to insure the water and sewer enterprise fund is self-sufficient;

**Whereas,** the water and sewer enterprise fund historically lost approximately \$400-\$600 thousand dollars each year, and required a transfer from the general fund;

**Whereas,** this raise in water and sewer rates, although necessary, causes a financial hardship on the people of Bethel;

**Whereas,** the large transfer from the general fund should no longer be necessary;

**Whereas,** the general fund had an operational surplus in FY 11, FY 12, FY 13 and FY 14, FY15, FY16 and is anticipated to have one from FY17 and FY18;

**Whereas,** the unreserved fund balance from the general fund is now at approximately \$8.9 million;

**Whereas** the Solid Waste Disposal enterprise fund consistently generates a profit and has a fund balance;

**Whereas,** the Municipal Dock Enterprise fund consistently generates a profit, and has a fund balance;

**Whereas,** the City has new revenue in the form of Alcohol Sales Tax, which is expected to be anticipated at \$689,000 for FY 17;

**Whereas,** we are now in a position for a slight reduction in sales tax;

**SECTION 1. Classification.** This ordinance is of permanent nature and shall become a part of the Bethel Municipal Code.

**SECTION 2. Amendment.** Bethel Municipal Code 4.16.030 is amended to read, new language is underlined, old language is stricken.

Introduced by: Mayor Robb  
Date: April 25, 2017  
Action: Not Introduced

#### **4.16.030 Imposition – Rate.**

A. There is levied and shall be collected a sales tax on all sales transactions in the city unless specifically exempted under this chapter. The tax is six (6) percent Five and three quarters (5.75) percent of the selling price.

B. The tax to be added to the sale price shall be twelve (12) percent for alcohol and transient lodging.

C. The tax to be added to the sale price shall be fifteen (15) percent for marijuana retail sales.

#### **Section 3. Effective Date.**

This Ordinance shall become effective upon the passage by the City Council.