

Presented by: COW
Introduced:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-36

An Ordinance Temporarily Increasing the Hotel-Motel Room Tax by Two Percent, from Seven Percent to Nine Percent, for a Fifteen Year Period, and Providing for a Ballot Question Ratifying the Increase.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. Section 2 of this ordinance, if approved by a majority of qualified voters voting on the question in accordance with Sections 3 and 4, shall be of a general and permanent nature and shall become a part of the City and Borough code. Sections 3 and 4 are noncode sections.

Section 2. Amendment of Section. CBJ 69.07.020 Imposition of hotel-motel room rental tax, is amended to read:

69.07.020 Imposition of hotel-motel room rental tax.

(a) The City and Borough hereby levies a tax on hotel-motel room rentals for transients equal to nine ~~seven~~ percent of the room rent from January 1, 2020, to December 31, 2035. The tax imposed under this chapter shall automatically return to seven percent on January 1, 2036.

The tax shall be applicable to all room rentals for transients unless the rental is specifically exempted from taxation by constitution or other valid law.

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Section 3. Submission to the Voters. The question of whether to temporarily increase the rate of the hotel-motel room tax from seven to nine percent from January 1, 2020, to December 31, 2035, shall be submitted to the qualified voters of the City and Borough at the next regular municipal election. The Municipal Clerk shall prepare the ballot proposition as provided by this ordinance and shall perform all necessary steps in accordance with law to place this proposition before the voters.

Section 4. Proposition. The proposition to be submitted to the voters as required by Section 3 shall read substantially as follows:

Explanation

Juneau currently levies a seven percent tax on hotel-motel room rentals. This ballot proposition, if approved by the voters, would temporarily increase the hotel-motel room rental tax from seven percent to nine percent from January 1, 2020, to December 31, 2035. The two percent increase is projected to raise \$440,000 annually.

It is the intent of the Assembly to use this increase in the hotel-motel room rental tax to provide funding for the construction of capital improvements for Centennial Hall. The tax proceeds could also be used to help pay for general obligation debt service related to Centennial Hall.

PROPOSITION NO. ____

Authorization to Temporarily Increase the Hotel-Motel Room Tax from Seven to Nine Percent Effective January 1, 2020, until December 31, 2035.

Shall the City and Borough of Juneau temporarily increase the tax on hotel and motel transient room rentals from seven percent to nine percent for fifteen years?

- YES []
- NO []

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Section 5. Effective Dates.

(a) The amendment of CBJ 69.07.020(a) set forth in Section 2 of this ordinance shall become effective on January 1, 2020, if the proposition required by Sections 3 and 4 of this ordinance is approved by a majority of the qualified voters of the City and Borough voting on the proposition at the next regular municipal election.

(b) Sections 3 and 4 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall be effective 30 days after adoption of this ordinance.

Adopted this _____ day of _____, 2019.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk