

**ORDINANCE NO. 6140**

**AN ORDINANCE AMENDING FGC SECTION 74-67 TO INCREASE THE ALCOHOLIC BEVERAGE SALES TAX RATE FROM FIVE PERCENT TO SIX PERCENT**

**WHEREAS**, the alcoholic beverage tax rate has not changed in thirty-five years;  
and

**WHEREAS**, the original ordinance enacting the tax recognized that a great deal of the work of the Fairbanks Police Department is related to the abuse of alcohol; and

**WHEREAS**, any increase in the tax collected under this section is subject to the provisions of Charter Section 6.5 (tax cap), which would require a reduction in the property tax rate to the extent that the amount of tax collected exceeds the tax cap limit.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA**, as follows:

**SECTION 1.** That Chapter 74, Article III, Section 74-67 is hereby amended as follows [new text in **bold/underline** font; deleted text in ~~striketrough~~ font]:

**Sec. 74-67. Alcoholic beverage sales tax levy.**

There is levied within the corporate limits of the city a tax equal to **six**five percent of the sales price upon all retail sales of alcoholic beverages made within the corporate limits of the city.

**SECTION 2.** That the effective date of the ordinance shall be the 4th day of January 2021.

\_\_\_\_\_  
**Jim Matherly, City Mayor**

AYES: Kun  
NAYS: Rogers, Gibson, Therrien, Pruhs, Cleworth  
ABSENT: None  
FAILED: September 14, 2020

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
D. Danyielle Snider, MMC, City Clerk

\_\_\_\_\_  
Paul J. Ewers, City Attorney

**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 6140

Abbreviated Title: ALCOHOL SALES TAX

Department(s): ALL DEPARTMENTS

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes \_\_\_\_\_ No X

2) additional support or maintenance costs? Yes \_\_\_\_\_ No X

If yes, what is the estimate? SEE NOTE BELOW

3) additional positions beyond the current adopted budget? Yes \_\_\_\_\_ No X

If yes, how many positions? \_\_\_\_\_

If yes, type of positions? \_\_\_\_\_ (F - Full Time, P - Part Time, T - Temporary)

**II. FINANCIAL DETAIL:**

PROJECTS:	TOTAL
GENERAL FUND EXPENDITURES	\$467,660
<b>TOTAL</b>	<b>\$467,660</b>

FUNDING SOURCE:	TOTAL
GENERAL FUND REVENUE - ALCOHOL SALES TAX	\$467,660
<b>TOTAL</b>	<b>\$467,660</b>

Effective January 4, 2021, this ordinance would increase alcohol sales tax from 5% to 6%. The amount presented is based on a three-year average. The alcohol sales tax is subject to the provisions of Charter Section 6.5 (tax cap), which would require a reduction in the property tax rate to the extent that the amount of tax collected exceeds the tax cap limit.

Reviewed by Finance Department: Initial mb Date 8/18/2020