

Introduced by: Council Members Marney and Sprinkle  
Finance Committee Review: August 17, 2023  
Introduced Date: September 25, 2023

**ORDINANCE NO. 6264**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE  
SEC. 74-152 BY INCREASING THE TOBACCO EXCISE TAX**

**WHEREAS**, Fairbanks General Code Sec. 74-152 levies an excise tax on the distribution of tobacco products brought into the city; and

**WHEREAS**, the City Council would like to increase the excise tax from eight percent times the wholesale price to twenty percent times the wholesale price; and

**WHEREAS**, this change will provide lower taxes for property owners.

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

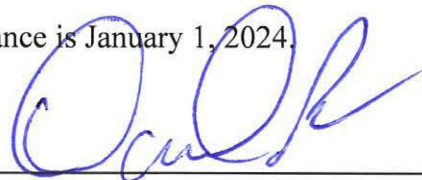
**SECTION 1.** Fairbanks General Code Sec. 74-152 is hereby amended as follows [new text in **bold/underlined** font; deleted text in ~~strikethrough~~ font]:

**Sec. 74-152. Tobacco products excise tax and collection.**

(a) The city hereby levies an excise tax on the distribution of tobacco products brought into the city, measured at the rate of ~~eight~~**twenty** percent times the wholesale price of such tobacco products.

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**SECTION 2.** The effective date of this ordinance is January 1, 2024.



**David Pruhs, Mayor**

AYES: Sprinkle, Cleworth, Ringstad, Marney, Tidwell, Rogers  
NAYS: None  
ABSENT: None  
ADOPTED: October 9, 2023

ATTEST:



D. Danyielle Snider, MMC, City Clerk

APPROVED AS TO FORM:



Thomas A. Chard II, City Attorney

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

**I. REQUEST:**

Ordinance or Resolution No: 6263

Abbreviated Title: ORDINANCE INCREASING TOBACCO EXCISE TAX

Department(s): GENERAL

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 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:**

EXPENDITURES:	2024+
<b>TOTAL</b>	<b>\$0</b>

FUNDING SOURCE:	2024+
GENERAL FUND (TOBACCO TAXES)	\$1,510,000
GENERAL FUND (PROPERTY TAXES)	-\$1,510,000
<b>TOTAL</b>	<b>\$0</b>

Based on tobacco excise tax receipts of \$12.8 million, an increase from 8% to 20% in tobacco excise tax will reduce property taxes by \$1,510,000. Based on the current assessed value, this will reduce the mill levy from 6.178 to 5.683 (\$49.50 per \$100,000 assessed value).

Reviewed by Finance Department: \_\_\_\_\_ Initial mb Date 8/31/2023