

Introduced by: Council Members
Marney and Ringstad
Date: December 11, 2023

ORDINANCE NO. 6269, AS AMENDED

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SEC.
74-117, ROOM RENTAL TAX PURPOSE AND LIMITATION, BY
ADDING COMPLIANCE REQUIREMENTS TO SUBSECTION (e)**

~~WHEREAS, Fairbanks General Code Sec. 74-117(e) provides requirements to assure compliance with the room rental tax purpose and limitations; and~~

~~WHEREAS, the City Council would like to add compliance requirements to provide wage and salary information and financial statements that have been independently reviewed by a certified public accountant.~~

WHEREAS, the Room Rental Tax, formerly Hotel/Motel Tax, was first established in the City of Fairbanks by Ordinance No. 3793 adopted on August 20, 1979; and

WHEREAS, the Fairbanks Convention and Visitors Bureau, now doing business as Explore Fairbanks, was first provided dedicated funding from the Room Rental Tax in recognition of the valuable service in the promotion of economic development of the Fairbanks area through Ordinance No. 4436 adopted on June 24, 1985; and

WHEREAS, Ordinance No. 4436 also required that the Fairbanks Convention and Visitors Bureau provide the Council biannual financial statements, including both income and expenditures, as well as an annual report of goals and objectives for the year ahead; and

WHEREAS, Ordinance No. 5461, adopted on December 10, 2001, amended Fairbanks General Code Sec. 74-117(e) to add some specificity to the Fairbanks Convention and Visitors Bureau's and Fairbanks Economic Development Corporation's reporting requirements to assure compliance with the room rental tax purpose and limitations; and

WHEREAS, the City Council aims to effectively balance the burden of reporting requirements against the need for transparency and responsible use of public funds; and

WHEREAS, amending the reporting requirements included at Fairbanks General Code Sec. 74-117(e) for recipients of the Room Rental Tax will better assure compliance with the purposes and limitations of the tax.

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

SECTION 1. Fairbanks General Code Sec. 774-117(e) is hereby amended as follows [new text in **bold/underlined** font; deleted text in ~~strikethrough~~ font]:

Sec. 74-117. Room rental tax purpose and limitation.

- (e) Any recipient of funding under this article must execute a contract with the city setting forth terms and conditions deemed necessary to enable the city to assure compliance with the purposes and limitations under this section. ~~In addition, Explore Fairbanks and the Fairbanks Economic Development Corporation board of directors and/or director must remit complete and fully detailed budget documents and a plan outlining projected goals and objectives directly to the city council before November 1st of each year for presentation and review as a condition of funding. At the same time each of these agencies must submit a complete and detailed report of current year's progress and accomplishments wage and salary information for employees for the current and upcoming year. ; and financial statements that have been independently reviewed by a certified public accountant. Additionally, any recipient of funding under this article receiving:~~

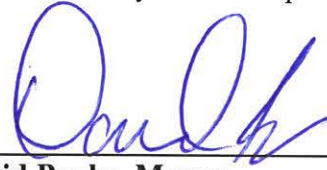
(1) \$100,000 or more, but less than \$500,000, must remit directly to the mayor and city council before September 1st of each year, unless otherwise extended by resolution of the city council, for presentation and review a complete and fully detailed:

- A. financial statement covering prior year's activities that has been reviewed by an independent certified public accountant,
- B. budget,
- C. schedule of wage and salary information for employees for the current and upcoming year,
- D. plan outlining projected goals and objectives, and
- E. report of current year's progress and accomplishments.

(2) \$500,000 or more, must remit a complete and fully detailed copy of the items listed below directly to the mayor and city council for presentation and review:

- A. no later than September 1st, unless otherwise extended by resolution of the city council, a financial audit of the prior year's activities, conducted by a certified public accountant using generally accepted auditing standards, along with a copy of the management letter and any organizational response to the audit, and
- B. no later than November 1st of each year, unless otherwise extended by resolution of the city council, a budget, wage and salary information for employees for the current and upcoming year, a plan outlining projected goals and objectives, and a report of current year's progress and accomplishments.

SECTION 2. The effective date of this ordinance is five days after adoption.



David Pruhs, Mayor

AYES: Rogers, Marney, Sprinkle, Ringstad, Tidwell, Cleworth

NAYS: None

ABSENT: None

ADOPTED: February 12, 2024

ATTEST:



D. Danyielle Snider, MMC, City Clerk

APPROVED AS TO FORM:


Thomas A. Chard II, City Attorney