

**PETERSBURG BOROUGH
ORDINANCE #2024-08**

**AN ORDINANCE AMENDING SECTION 4.33.060 OF THE
PETERSBURG MUNICIPAL CODE, TO CLARIFY THE PERMITTED
USES OF PROCEEDS OF THE BOROUGH TRANSIENT ROOM TAX**

WHEREAS, the borough currently levies a transient room tax, at the rate of 4%, on the transient rental of hotel rooms, defined as a person staying in a hotel, motel or other lodging for fewer than 30 days; and

WHEREAS, a potential increase in the transient room tax rate, from 4% to 7%, will be on the ballot in October, 2024 for voter ratification; and

WHEREAS, the use of proceeds of this tax are dedicated, under PMC 4.33.060, to the following: "to provide funding for visitor related services in the borough. Uses include, but are not limited to, payment of membership fees to tourist-related organizations, advertising, and maintenance and operation of the Chamber of Commerce."; and

WHEREAS, there are many visitor related expenses incurred by the borough that are not specifically set out in the examples, including signage, park maintenance, downtown beautification (including flower boxes, garbage containers, and benches), and certain borough infrastructure maintenance (including repair and maintenance of N. Nordic beach stairs, Sing Lee Alley Bridge, and downtown sidewalks); and

WHEREAS, it would be beneficial to provide additional examples of visitor-related permitted uses so as to further clarify usage of those revenues.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS, Section 4.33.060, *Use of proceeds*, of Chapter 4.33, Transient Room Tax, of the Petersburg Municipal Code, is hereby amended as follows:

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to clarify permitted uses of Transient Room Tax revenue received by the Borough.

Section 3 Substantive Provisions: Section 4.33.060 of the Petersburg Municipal Code, entitled *Use of proceeds*, is hereby amended as follows. The language proposed for addition is **underlined and bolded**, and the language proposed for deletion is ~~struck through~~.

4.33.060 Use of proceeds.

The proceeds of this tax, less administrative and enforcement related expenses, are dedicated to, and shall be used to provide funding for, visitor-related services in the borough. Uses include, but are not limited to, payment of membership fees to tourist-related organizations, advertising, and maintenance and operation of the Chamber of Commerce, **visitor-related signage, park maintenance and improvements, borough beautification and improvement projects, and repair and maintenance of visitor-related borough infrastructure, including stairs and sidewalks in the downtown area.**

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective immediately upon final passage.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this ____ day of _____, 2024.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Noticed:
Effective: