



CITY OF SAINT PAUL

ALASKA

MEMORANDUM TO COUNCIL

TO: Mayor and City Council Members

FROM: Phillip A. Zavadil, City Manager

CC: Aubrey Wegeleben, City Clerk; Stephanie Mandregan, Finance Director

DATE: November 7, 2023

RE: Ordinance 23-05 - Revising and Amending Title 4 – Revenue and Finance, Chapter 4.25 - Sales Tax, 4.25.020 – Levy and collection of tax, Subsection (d) The tax on the sales of alcohol beverages, marijuana, and tobacco products within the City shall be equal to five percent

SUMMARY: Ordinance 23-01 approves amending the City Code of Ordinances Title 4 – Revenue and Finance, Chapter 4.25 - Sales Tax, 4.25.020 – Levy and collection of tax to add subsection (d) The tax on the sales of alcohol beverages, marijuana, and tobacco products within the City shall be equal to five percent and to put this to a vote of the public by ballot for a special election.

PREVIOUS COUNCIL ACTION: Council approved the first reading of this ordinance on November 2, 2023.

BACKGROUND AND DISCUSSION: No changes were made to this ordinance since the November 2, 2023 meeting.

ALTERNATIVES: Council could choose not to approve this ordinance thereby not sending the new tax to a vote of the public.

FINANCIAL IMPLICATIONS: The MuniRevs system that the City uses to collect and track sales tax will need to be updated. The cost to implement changes to MuniRevs to include this new tax estimated to be. The City could receive the following estimated new tax revenue as listed below:

- \$20,000 to \$30,000 in new tax revenue on the sales of alcohol
- \$5,000 to \$15,000 in new tax revenue from the sale of marijuana
- Unknown amount of revenue from the sale of tobacco products

LEGAL: The City's general legal counsel has reviewed changes to ordinance.

ADMINISTRATION COMMENTS AND RECOMMENDATION: Administration recommends approval of this ordinance.

PROPOSED MOTION: I move to introduce Ordinance 23-05, and schedule it third reading and adoption at the City Council meeting scheduled for December 12, 2023, and a vote of the public via a special election ballot within 30 days of council approval of this ordinance.

ATTACHMENTS: Ordinance 23-05, Changes to Chapter 4.25 – Sales Tax, and Ordinance 16-02.