



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: December 6, 2023

RE: Ordinance 23-07 – Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.35 – Rental Tax on Rental of Motor Vehicles

SUMMARY: Ordinance 23-07 approves amending City Code of Ordinances by adding Title 4 – Revenue and Finance, Chapter 4.35 – Rental Tax on Rental of Motor Vehicles

PREVIOUS COUNCIL ACTION: Council approved the first reading of this ordinance on November 2, 2023 and second reading on November 14, 2023.

BACKGROUND AND DISCUSSION: The following changes were made to this ordinance since the meeting on November 14, 2023:

- Added the following definitions:
 - “Saint Paul Island resident business entity” means a business that only operates on Saint Paul Island, Alaska and does not engage either directly, or through an affiliated entity or individual, in vehicle rental activities outside of Saint Paul Island, or whose physical or mailing address on the Department of Corporations is listed as being on Saint Paul Island

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 an estimated \$2,500 to \$5,000 in new tax revenue.

LEGAL: The City’s general legal counsel has reviewed and provided recommended changes to the enacting ordinance and coded ordinance.

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

PROPOSED MOTION: I move to approve Ordinance 23-07, and schedule it for a vote of the public via a special election ballot within 30 days of council approval of this ordinance.

ATTACHMENTS: Ordinance 23-07 and draft version of Chapter 4.35 – Rental Tax on Rental of Motor Vehicles.