

TENAKEE SPRINGS MUNICIPAL CODE

TITLE 09

REVENUE AND FINANCE

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- 09.02 **BUDGET FORM AND SCOPE**
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CHAPTER 09.01

FISCAL POLICIES

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09.01.010 Budget and Capital Improvements Program. A. The budget shall include the capital improvements program, and shall be prepared by the mayor with the assistance of the treasurer. The budget shall be submitted as an ordinance.

B. After two public hearings, the council may approve the budget with or without amendments and shall appropriate the funds required. The first public hearing may be held immediately following introduction of a budget ordinance and must be properly warned with two weeks' notice prior to the public hearing.

09.01.020 City Obligations. A. No payment may be authorized or made and no obligation incurred unless an appropriation has been made by ordinance.

B. The City Council may make supplemental and emergency appropriations.

C. The City Council may authorize contracts for capital improvements to be financed wholly or partly by the issuance of bonds.

09.01.030 Fiscal Year. The fiscal year of the city shall begin on the first day of July and end on the last day of June in the following calendar year.

09.01.040 Statement of Annual Income and Expenditures, Audit. A. The mayor is responsible for preparing a statement of annual income and expenditures and delivering the statement to the City Council before October 1 of each year.

B. The City Council may require that an audit be conducted in place of or in addition to the statement of annual income and expenditures. The audit shall be completed and transmitted to the City Council on or before June 30 of the year following the year for which the audit has been prepared, unless the City Council by resolution specifies another date.

09.01.050 Check Writing Policy. All checks written on city funds shall be prepared by the clerk, treasurer, mayor or department bookkeeper's; electric, harbor, fuel, and signed by two council members, or by one council member and either the treasurer/finance officer, or department bookkeeper; electric, harbor, fuel.

09.01.060 Overspending and Unauthorized Transfers Prohibited. A. No city officer or employee shall spend or cause to be obligated more funds than are budgeted by the City Council.

B. Transfer of funds between accounts or between city operations or departments shall not be permitted, except by consent of a quorum of the City Council.

CHAPTER 09.02

BUDGET FORM AND SCOPE

Sections:	09.02.010	SCOPE OF BUDGET
	09.02.020	ANTICIPATED REVENUES
	09.02.030	PROPOSED EXPENDITURES

09.02.010 Scope of Budget. A. The budget shall be a complete financial plan for all of the operations of the city, showing anticipated revenues, proposed expenditures and reserves.

B. The budget shall include a comparative statement of actual expenditures and actual revenues for the proceeding fiscal year.

C. Proposed expenditures shall not exceed anticipated revenues and reserves.

09.02.020 Anticipated Revenues. A. Anticipated revenues shall be composed of all sources of income to the city, and itemized as to individual source, including:

1. intergovernmental transfers,
2. enterprise revenue,
3. tax revenue and licenses,
4. miscellaneous sales and services,
5. lapsed funds,
6. unappropriated general funds (underestimated revenues).

09.02.030 Proposed Expenditures. A. Proposed expenditures shall be itemized under the following budget categories:

1. General Government, with sub-categories including, but not limited to:
 - a.) City Council
 - b.) Administration and Finance
 - c.) Planning and Zoning
2. Department of Public Safety, with sub-categories including, but not limited to:
 - a.) Administrative Services
 - b.) Police Services
 - c.) Fire Services
 - d.) Emergency Medical Services
 - e.) Search and RescueDepartment of Health Services, with sub-categories including, but not limited to:
 - a.) Health Center Operations
 - b.) Health Services
 - c.) Travel and Per DiemDepartment of Public Works, with sub-categories including, but not limited to:
 - d.) Administration
 - e.) Streets and Trails
 - f.) Facilities
4. Department of Community Services, with sub-categories including, but not limited to:
 - a.) Library
 - b.) Parks and Recreation
 - c.) Senior Center
 - d.) Bathhouse
 - e.) CATV Transmission
5. Electric Department
6. Harbor Department
7. Fuel Department
8. Other categories as required by acceptable accounting procedures and which will fairly and adequately inform the public as to the contents of the budget.

CHAPTER 09.03

BUDGET PROCEDURES

Sections:	09.03.010	BUDGET PUBLIC RECORD
	09.03.020	PUBLICATION OF NOTICE OF PUBLIC HEARING
	09.03.030	PUBLIC HEARING ON BUDGET
	09.03.040	FURTHER CONSIDERATION OF BUDGET
	09.03.050	ADOPTION OF BUDGET—VOTE REQUIRED
	09.03.060	EFFECTIVE DATE OF BUDGET CERTIFICATION

09.03.010 Budget Public Record. The budget, the annual budget report and all supporting schedules shall be open to public inspection. Copies shall be available for distribution to interested persons.

09.03.020 Publication of Notice of Public Hearing. The City Council shall hold two public hearings on the annual budget and shall post notice of such hearings in three (3) public places in the city at least two (2) weeks prior to the hearings. The first of these public hearings may immediately follow introduction of the annual budget ordinance. The notice shall include a summary of the budget and a statement setting out the time and place of the public hearing.

09.03.030 Public Hearing on Budget. At the time and place so advertised, the City Council shall hold the public hearings on the budget as submitted, at which time all interested persons shall be given an opportunity to be heard.

09.03.040 Further Consideration of Budget. After the conclusion of the public hearings on the budget, the City Council may insert new items or may increase or decrease the items of the budget, except items in proposed expenditures fixed by law. The City Council shall then appropriate the funds required after the budget is approved.

09.03.050 Adoption of Budget—Vote Required. The budget shall be adopted by majority vote of the City Council by June 30.

09.03.060 Effective Date of Budget Certification. The adopted budget shall be in effect for the fiscal year. A copy of the adopted budget shall be certified by the mayor, attested to by the clerk, and filed with the clerk. The certified budget shall be available to the public.

09.03.070 Amendments to the Annual Budget A. Amendments to the annual budget may be made as required. The City Council shall hold one public hearing on the amendment. This public hearing may immediately follow introduction of the amendment, followed by city council discussion and action.

B. Public notice of budget amendments and public hearing shall be posted in three (3) public places in the City at least two (2) weeks prior to the hearing.

CHAPTER 09.04

PURCHASING

Sections:	09.04.010	PURCHASING AGENT
	09.04.020	PURCHASING AGENT-SCOPE OF AUTHORITY
	09.04.030	PURCHASING AGENT-OTHER POWER AND DUTIES
	09.04.040	INSPECTION AND TESTING
	09.04.050	AUTHORITY OF MAYOR
	09.04.060	PRIOR APPROVAL BY CITY COUNCIL REQUIREMENT
	09.04.070	REQUISITIONS AND ESTIMATES
	09.04.080	PURCHASES AND CONTRACTS OVER \$10,000(TEN THOUSAND DOLLARS)
	09.04.090	NOTICE REGARDING COMPETITIVE SEALED BIDS
	09.04.100	BIDDING DOCUMENT-CHANGES AND ADDENDA
	09.04.110	PRE-BID CONFERENCE
	09.04.120	BIDS – OPENING PROCEDURE
	09.04.130	BIDS – REJECTION, NEGOTIATION AND RE-ADVERTISING
	09.04.140	BIDS – WAIVER OF IRREGULARITIES
	09.04.150	CONSIDERATIONS IN AWARDING CONTRACT
	09.04.160	EXCEPTIONS TO COMPETITIVE SEALED BIDS
	09.04.170	PURCHASES AND CONTRACTS OF ONE HUNDRED DOLLARS OR LESS
	09.04.180	PURCHASES AND CONTRACTS BETWEEN \$150 AND \$10,000 (FIFTY AND TEN THOUSAND DOLLARS)
	09.04.190	INSURANCE POLICIES
	09.04.200	PROHIBITION OF SUBDIVISION OF SPECIFICATIONS
	09.04.210	EMERGENCY PURCHASES AND CONTRACTS
	09.04.220	ENCUMBRANCE OF FUNDS

09.04.010 Purchasing Agent. A. There shall be a purchasing agent of the city to make all purchases of supplies, materials, equipment and services for the departments, offices and agencies of the City of Tenakee Springs government.

- B. The mayor or his/her designee shall be the city purchasing agent.
- C. The mayor may designate that a department or project head or manager may act as the Purchasing Agent for their respective department or project.

09.04.020 Purchasing Agent – Scope of Authority. A. The purchasing agent shall have the power and duty to purchase or contract for supplies, materials, equipment and services needed by any department, office and agency of the city and sell surplus personal property of the departments, offices and agencies of the city in accordance with the ordinances of the city and such rules and regulations as shall be prescribed by the mayor and approved by the city council.

B. The purchasing agent shall have the authority to join with other unit of governments in cooperative purchasing ventures when the best interests of the city would be served thereby, and same is in accordance with the city and state law.

09.04.030 Purchasing Agent – Other Powers and Duties. A. The purchasing agents shall determine expenditure rules and regulations, purchasing analysis, prescribe forms and procure tax exemptions, as follows:

1. Act to procure for the city the highest quality in supplies, materials, equipment and services at least expense to the city.
2. Recommend the establishment, and amendment when necessary, of all rules and regulations relating to purchasing.
3. Keep informed of current developments in the field of purchasing, prices, market conditions and new products, and secure for the city the benefit of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition, and by private businesses and organizations.
4. Prescribe and maintain such forms as are found to be reasonably necessary.
5. Act so as to procure for the city all state and federal tax exemptions to which it is entitled.

09.04.040 Inspection and Testing. A. The purchasing agent shall inspect, as far as possible, and supervise the inspection of all deliveries of supplies, materials, equipment or services to determine their conformance with the specifications set forth in the order or contract.

B. The purchasing agent shall have the authority to authorize city departments, offices and agencies having the staff and facilities for adequate inspection to inspect all deliveries made to them under the rules and regulations which the agent shall prescribe.

C. The purchasing agent shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with the specifications. In the performance of such tests, the purchasing agent shall have the authority to make use of laboratory facilities of the city or of any outside laboratory.

09.04.050 Authority of Mayor. A. The mayor may authorize any department, office or agent of the city to purchase directly certain specified supplies, materials, equipment or services under conditions not less restrictive than those prescribed under this chapter, whenever the purchase price is fifty dollars or less.

B. The mayor may transfer supplies, materials and equipment to or between agencies, office and departments in so far as such transfers are in accordance with ordinances, rules and regulation of the city and not in conflicts with use of dedicated funds.

09.04.060 Prior Approval by City Council Requirement. Every purchase and contract for supplies, materials, equipment and services for more than two thousand dollars shall require the prior approval of the city council; and under no circumstances may such contract or purchase be made without first obtaining the approval of the city council.

09.04.070 Requisitions and Estimates. A. All departments, offices and agencies of the city using supplies, materials, equipment and services shall either by or with the authorization of the department, office or agency head, file with the purchasing agent requisitions or estimates of their requirements in such manner, at such times, and for such future periods as the purchasing agent shall prescribe.

B. The departments, offices and agencies of the city shall not be prevented from filing, in the same manner, with the purchasing agent at any time a requisition or estimate for any supplies materials, equipment and services the need for which was not foreseen when the detailed estimates were filed.

C. The purchasing agent shall examine each requisition or estimate and shall have the authority to recommend revisions as to quantity, quality or estimated cost.

09.04.080 Purchases and Contracts over Ten Thousand Dollars. Unless otherwise prohibited or exempted by ordinances of the city, all purchases and contracts for an amount estimated to exceed ten thousand dollars shall be by competitive sealed bid.

09.04.090 Notice regarding Competitive Sealed Bids. A. Public notice inviting competitive sealed bids shall be posted in three separate places in the city at least fourteen days preceding the last day set for the receipt of bids. The notice required herein shall include a general description of the work, supplies, materials, equipment and/or services, shall state where bid forms and specifications may be secured, the closing time for submission of bids, place of submission, and the time and place for opening bids. Bid deposits, if required, shall be prescribed in the public notice inviting bids.

B. The city shall also invite sealed bids from all responsible prospective contractors who have requested their names be added to a “bidders’ list”, which the city shall maintain by sending them a copy of such notice, or such other notices as will acquaint them with the proposed request for bids. In any case, invitations sent to the contractors on the “bidders’ list” shall be limited to work that is similar in character and ordinarily performed by the contractors to which the invitations are sent. Failure of any person on the “bidders’ list” to receive such invitation to bid shall not invalidate the bidding procedures.

C. The city may also publish notice inviting competitive sealed bids in a newspaper of general circulation published in other cities and states, and/or trade and professional journals when desirable to accomplish sufficient competitive bidding.

09.04.100 Bidding Document – Changes and Addenda. No official or officer, and the bid documents shall so state, shall make any oral interpretations which may affect the substance of bidding documents, not make any oral changes in same. Addenda shall be issued

when questions arise which might affect the bids. The purchasing agent shall be certain that all bidders receive the addenda which should be delivered by certified mail – receipt requested, or hand – receipt of delivery obtained. When an addendum is issued less than four working days before the time for receipt of bids, the addendum shall contain a new bid date of at least four working days after the normal receipt of the addendum by the prospective bidders. Receipt of addenda should be acknowledged as part of the bid summated

09.04.110 Pre-Bid Conference. A. All department, office or agency heads, or the purchasing agent, may provide for a pre-bid conference at least seven days prior to the time for submission of bids or upon the request of any bidder.

B. Bids shall be opened in public at the time and place stated in the public notices which shall be immediately after the closing time for submission of bids. The time of submission should preferably be on a Tuesday, Wednesday, Thursday or Friday afternoon. Bids not received by the city prior to the bid opening shall not be opened and considered. Any bidder may review all bids immediately after opening and prior to tabulation or summary.

C. A tabulation of all bids received shall be forwarded to the city council by the purchasing agent with appropriate recommendations for acceptance or rejection of bids. A copy of the tabulation shall be furnished to each bidder.

09.04.120 Bids – Opening Procedure. A. Sealed bids shall be submitted personally or by mail to the officer designated in the notice inviting bids and shall be identified as bids on the envelope.

B. Bids shall be opened in public at the time and place stated in the public notices which shall be immediately after the closing time for submission of bids. The time of submission should preferably be on a Tuesday, Wednesday, Thursday or Friday afternoon. Bids not received by the city prior to the bid opening shall not be opened and considered. Any bidder may review all bids immediately after opening and prior to tabulation or summary.

C. A tabulation of all bids received shall be forwarded to the city council by the purchasing agent with appropriate recommendations for acceptance or rejection of bids. A copy of the tabulation shall be furnished to each bidder.

09.04.130 Bids – Rejection, Negotiation and Re-advertising. A. Upon receipt of the bids, the city council, or its delegate, shall have the authority to:

1. reject defective or non-responsive bids;
2. reject all bids;
3. negotiate with the three lowest responsible bidders, if bid prices are in excess of the money available;
4. re-advertise the project for bidding, after making substantial changes in the project scope to bring the cost within the limit of the money available.

09.04.140 Bids – Waiver of Irregularities. The city council shall have the authority to waive any and all irregularities on any and all bids.

09.04.150 Considerations in Awarding Contract. A. Contracts shall be awarded to the lowest responsible bidder. In determining the “lowest responsible bidder”, in addition to price, there shall be considered:

1. the experience, capacity and skill of the bidder to perform the contract;
2. whether the bidder can perform the contract within the time specified, without delay or interference;
3. the quality of performance of previous contracts;
4. the previous and existing compliance by the bidder with laws and ordinances relating to the contract;
5. the sufficiency of the financial resources and ability of the bidder to perform the contract;
6. the number and scope of conditions attached to the bid;
7. if some bids are approximately equal some preference may be given to local bidders.

B. When the award is given to other than the lowest bidder, a full and complete written statement of the reasons therefore shall be delivered to the unsuccessful low bidder(s) and filed with the other papers relating to the transaction. The minutes of the city council relating to the matter may be used as the required written statement.

09.04.160 Exceptions to Competitive Sealed Bids.

A. The restrictions and provisions of sections of this chapter requiring competitive sealed bids shall not apply:

1. to contracts involving the obtaining of professional or specialized services, such as but not limited to, architects, attorneys, Certified Public Accountants, engineers and other specialized consultants;
2. where calling for bids on a competitive basis is unavailable or impossible, including but not limited to situations where rates are set by statute or ordinance or where like items are traded in, or where used items are being purchased;
3. where the city's requirements can be met solely by an article or process obtainable only from a single source;
4. to placement of insurance coverage;
5. when public work is performed by the city with its own employees;
6. when it is advantageous to the city to enter into a contract with a bidder for the same supplies or services such bidder is providing another Alaskan local government, the State of Alaska, or the United States government, where such supplies, materials, equipment and/or services are being provided the other governmental unit on the basis of formula bids submitted, where the city contract is on substantially the same terms as those bid; or to contract with or through such other governmental unit so that the benefit of the responsible bid accrues to the city;
7. when either competitive procedure has been followed, but no bids or quotations are received; in such case, the purchasing agent may proceed to have the services performed and purchases made without further competitive bidding or quotation;
8. supplies, materials, equipment or services purchased from another unit of government at a price deemed below that obtainable from the private dealers, including war surplus;
9. contractual services purchased from a public utility corporation at a price or rate determined by state or other government authority.

09.04.170 Purchases and Contracts of One Hundred Fifty Dollars or Less.

- A. Unless otherwise prohibited by the ordinances of the city, purchases of supplies, materials, equipment and services where the actual cost is one hundred fifty dollars or less may be made on the open market without competitive bidding or quotation.
- B. Petty cash funds of thirty dollars or less may be set up for city departments, offices and agencies.
- C. A petty cash fund is maintained at the amount initially set up, that is the cash and receipts in the fund always total the amount initially put into the respective petty cash.
- D. The petty cash funds are renewed by:
 - 1. providing receipts and/or reports of the cash expended to the purchasing agent;
 - 2. checks are written to provide cash, or cash is provided, in the amount of the receipts and/or report to the purchasing agent.
- E. The mayor shall resolve management problems in petty cash usage and is authorized to temporarily allow a petty cash balance to be fifty dollars or less, provided that the management problem(s) are reported to the city council at the earliest opportunity.

09.04.180 Purchases and Contracts between One Hundred Fifty and Ten Thousand Dollars.

- A. All purchases of supplies, materials, equipment and services of a total estimated value of more than one hundred fifty dollars and less than ten thousand dollars shall be made in the open market without posting and advertisement and without observing the procedure prescribed by this title for formal purchasing or sale procedures.
- B. All open market purchases or sales shall whenever possible be based on at least three competitive bids or quotations and shall be awarded to the lowest responsible bidder in accordance with the standards set forth in sections 09.04.080 through 09.04.160 of this Chapter.
- C. The purchasing agent shall solicit written bids or quotations for open market purchases or sales – printed prices in catalogs or other media shall be acceptable for written quotation;
- D. The purchasing agent shall keep a record of all open market bids and quotations submitted in competition thereof, and such records shall also be open to public inspection.

09.04.190 Insurance Policies.

- A. The city as a member of the Alaska Municipal League – Joint Insurance Association (AML-JIA) may purchase those insurance coverage's provided by the AML-JIA.
- B. For insurance coverage in addition to or not provided by the AML-JIA and when it is deemed desirable by the city council, purchases of insurance shall be by the open market procedures provided in this chapter.
- C. Open market procedures may not be required for a policy which:
 - 1. has an annual premium or charge of less than two hundred fifty dollars;
 - 2. provides liability coverage for single event;
 - 3. is for property title insurance; or
 - 4. has its premium or charge fixed by state statute.
- D. Open market procedures may not be required for a change in policy in effect, or to acquire policies supplemental to an existing policy if the policies in effect cannot be changed, provided the change or supplemental policies are approved by the city council.

09.04.200 Prohibition of Subdivision of Specifications. No project or contract specifications shall be subdivided to avoid the requirements of this title. This provision shall not preclude the use of alternate deductible items.

09.04.210 Emergency Purchases and Contracts. Whenever, because of any emergency, it is deemed necessary and in the public interest by the mayor to enter into any contract without following the competitive bidding procedures as may be required by this title, the mayor shall authorize such emergency contract if the estimated sum involved is less than three thousand dollars. If the estimated contract sum involved is greater than three thousand dollars the mayor shall refer any proposed emergency contract to the city council for approval and authorization to waive the competitive bid process.

09.04.220 Encumbrance of Funds. A. Except in cases of emergency declared by the mayor or the city council as provided in this chapter, no purchase, contract or any change order to an existing contract shall be authorized unless there is a sufficient unencumbered balance in the budget appropriation of the department, office or agency of the city or sufficient bond funds available, in excess of actual expenditures or commitments to cover such contracts, purchases or change orders.

B. The mayor shall provide each city department, office and agency with sufficient information necessary to comply with subsection A of this section including, but not limited, to copies of annual budget appropriations, budget amendments as they occur, and timely reports of unencumbered balances throughout the fiscal year.

CHAPTER 09.05

TAXATION

Sections:	09.05.010	BY ORDINANCE
	09.05.020	PROPERTY, BY REFERENDUM, LIMITATIONS

09.05.010 By Ordinance. The City Council may pass an ordinance for the levy of a sales tax, not to exceed two percent (2%), on all retail sales and services in the city; or, specific retail sales and services as prescribed by law. No question concerning a sales tax, including an increase in the rate thereof, shall be presented to the community at any election, more than once, within any consecutive six-month period.

09.05.020 Property, by Referendum, Limitations. The city may, by referendum, levy real and personal property taxes as provided for first class cities. However, levy by the City of Tenakee Springs (a second class city) may not exceed one-half of one percent (1/2%) of the assessed valuation of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness; which is secured by a pledge, to levy advalorem or other taxes without limit to meet debt payments.

CHAPTER 09.06

SALES TAX

Sections:	09.06.010	PURPOSE AND INTENT
	09.06.020	DEFINITIONS
	09.06.030	IMPOSITION – RATE
	09.06.040	EXEMPTIONS
	09.06.050	REGULATION AND PROCEDURE
	09.06.060	SELLER TO ADD TAX TO SELLING PRICE
	09.06.070	ANNUAL RETURNS--PENALTIES AND INTEREST FOR DELINQUENCY
	09.06.080	SELLERS' COMPENSATORY COLLECTION DISCOUNT
	09.06.090	ASSESSMENT LIMITATION PERIODS- RECORD KEEPING
	09.06.100	DELINQUENCY—FAILURE TO SUBMIT RETURN
	09.06.110	PROTEST OF TAX
	09.06.120	FORGIVENESS OF UNCOLLECTED TAXES, AND INTEREST PENALTIES
	09.06.130	CRIMINAL LIABILITY
	09.06.140	REGISTRATION
	09.06.150	DEPOSIT BY NON-RESIDENTS
	09.06.160	INSPECTION OF A BUSINESS LICENSE
	09.06.170	SALE OF BUSINESS—FINAL TAX RETURN—LIABILITY OF PURCHASER
	09.06.180	LIEN FOR TAX, INTEREST AND PENALTY
	09.06.190	COLLECTED TAXES
	09.06.200	USE OF PROCEEDS
	09.06.210	APPEALS

09.06.010 Purpose and Intent. The purpose of the tax levied under this ordinance is to raise revenues. To that end, the scope of the tax levied shall be broadly interpreted and exemptions shall be allowed only when the rental, sales or service clearly falls within an exemption defined in this ordinance.

09.06.020 Definitions. A. For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

1. “Buyer, consumer and person,” include without limiting the scope thereof, the person who purchases goods, services or rents another’s property, in exchange for consideration, in the ordinary and herein defined meaning of the terms.

2. “Retail sale” means every sale made in the regular course of business to a buyer or consumer of goods, services, or renting of property in exchange for consideration, for any purpose other than resale. All retail sales by a seller within the City of services to be provided or performed in whole or in part within the City regardless of the buyer’s place of residence; or buyer’s physical location upon acceptance of the offer, or exchange of consideration.
3. “Sale for resale” means the sale of tangible personal property to a buyer whose principal business is the resale of the property whether in the same or an altered form.
4. “Seller” includes every person making retail sales to a buyer or consumer, renting property or performing services for consideration.
5. “Seller within the City” means any seller whose principal place of business is within the City, and any seller whose principal place of business is outside the city if such seller maintains, for any period of time, any nexus, office, warehouse, or any other place of business, whether mobile or not, within the City; or solicits business or receives orders through any agent or other type of representative within the City.
6. “Selling price” and “price” mean the consideration, whether money, credit, rights or other property expressed in terms of money paid, given or delivered by a buyer to a seller, all without any deduction on account of the cost of property sole, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expenses whatsoever paid or accrued, and without any deduction on account of losses.
7. “Services” includes all services of every manner and description that are performed or furnished for consideration whether in conjunction with the sale of goods or not, provided in whole or in part within the city, including travel and adventure services, but does not include services rendered by an employee to an employer.

09.06.030 Imposition of Rate. A. There shall be levied and collected a tax equal to the percentage of the selling price on retail sales and rentals made and services performed within the areas of the city as set forth below:

Within the city2%

B. The taxability of a sale of goods is determined by the delivery of the tangible personal property. The taxability of a rental made is determined by the place where the service is performed or rental property is located except as provided below, the sale of a service is subject to the sale tax if the service is performed within the City.

1. Where a buyer receives a service within the corporate limits of the City of Tenakee, and the service begins or ends therein, or where the buyer receives an entire service therein the sale is subject to the City of Tenakee sales tax.
2. A person who furnished proof in the form required by the City official administering this chapter, that he has paid the tax in some jurisdiction other than the City, on the sale of a service, is required to pay the City’s sales tax to the extent of the difference of the amount of sales tax paid elsewhere and the amount of tax levied by the City. This paragraph applies to a sales tax in any taxing jurisdiction, whether inside or outside the State.

09.06.040 Exemptions.

- A. The tax levied under this chapter shall not apply to the following:
1. casual and isolated sales not made in the regular course of business;
 2. sales, services, rentals and transactions which the municipality is prohibited from taxing under the Constitution and laws of the United States or the State of Alaska;
 3. sales of goods and associated shipping and handling charges where delivery is made outside the city;
 4. sales of medical, dental, nursing services, and of counseling services by clinical psychologists licensed by the state, alcohol and drug councilors certified by the state, and social workers who have a minimum of a Masters degree in social work (MSW)
 5. sales and resale of hearing aids, crutches, wheelchairs and personal property specifically manufactured for a patient;
 6. membership dues and assessments, initiation fees and donations paid to labor unions, fraternal organizations and other non-profit organizations that have obtained a 501 (c) exemption certificate from the Internal Revenue Service, but excluding set minimum or suggested fee charged for admission to specific functions;
 7. sales, services and rentals to a buyer, or made by a seller, organized and administered solely by an organization that has obtained a 501 (c) (3) or 501 (c)(4) exemption ruling from the Internal Revenue Service and an exemption certificate from the finance director, provided, this exemption applies to sellers only if the income from the sale is exempt from federal income taxation;
 8. sales, services and rentals to a foreign government, the United States government, the state and its political subdivisions and municipalities – this exemption does not apply to rentals or to the sale of materials, supplies and services to contractors for the manufacture of production of property or services for government agencies on a contract;
 9. sales of food and beverages in public and private school cafeterias, which are operated primarily for teachers or students and which are not operated for profit;
 10. child day care, pre-elementary school and baby sitting services;
 11. residential rentals other than rentals to transients who occupy or rent a suite, room or rooms in a hotel, motel, or bed and breakfast for fewer than thirty (30) consecutive days for the purpose of habitation;
 12. sales tax paid on leases under a lease/purchase agreement may be credited toward the payment of the tax due on the exercise of the purchase option in the same proportion as the lease payments are applied to the purchase price; provided that there will be no refund of taxes paid on the lease;
 13. that part of the selling price of travel and adventure services, rentals, and goods, excluding lodging, sold outside but delivered within the city which is not remitted to the provider of the service and which represents a selling cost or commission or similar charge;
 14. fees charged from non-profit youth day, recreation, summer and similar camps primarily serving persons under eighteen (18) years of age.

15. sales of services for resale—a service is sold for resale when the service is directly integrated into services or goods sold by the buyer to another purchaser in the normal course of business, and the service is purchased separately for each resale, and the service is identified, charged for, and billed separately from any other service;
16. sales for resale of tangible personal property as defined in Section 09.06.020(2)
17. sales of service and supplies necessary for treatment of illnesses by veterinarians;
18. sales of transportation and handling services for goods rendered by sellers primarily engaged in furnishing such services, where the goods are either transported from, or delivered to, a point outside the city provided that the retail seller of goods may not exclude transportation or handling charges from the selling price of the goods;
19. sales of electric utility services;
20. in single sales, the excess of seventy-five hundred dollars (\$7,500.00).

09.06.050 Regulation and Procedure. A. The mayor, or a city official designated by the council, shall administer this ordinance and make recommendations for regulations, policies, fees and guidelines for the determination of the taxability of transactions. The City Council shall adopt policy guidelines, regulations, fees and procedures for the management of this ordinance by resolution and may rule on specific transactions upon request. The written ruling on a specific sale may be relied upon by the parties to the sale unless essential facts were not provided to the person making the ruling or the ruling is clearly contrary to provisions of this ordinance.

B. The burden of proving an exemption shall be on the person claiming an exemption. Persons claiming an exemption may be required to obtain an exemption certificate. Certificates issued under this ordinance shall expire as determined by guidelines established by the City Council.

C. The City Council, or the city official administering this ordinance when so authorized by the City Council, shall take all steps necessary and appropriate to fulfill the requirements of this ordinance, which includes the authority to compromise and abate penalties and interest, and to negotiate and enter into payment plans for delinquent sales taxes, penalties and interest, when so granted by the City Council by resolution.

09.06.060 Tax to be Added to Selling Price. Every seller shall add the amount of the tax levied by this chapter to the total selling price, and the tax shall be stated separately on any sales receipts, slips, rent receipts, charge tickets, invoices, statements of account or other tangible evidence of sale.

09.06.070 Annual Returns—Penalties and Interest for Delinquency. A. Every person making sales, rentals or performing services within the city shall on or before the last day of the month following the end of each calendar year, complete a return for the preceding year, setting forth the total amount of all sales, rentals and services, regardless of whether such transactions are taxable or nontaxable, the amount of the tax due, and such other information as the city may require, and sign and deliver or mail the same to the city clerk or the city official administering this ordinance

B. The tax levied under this ordinance, whether or not collected from the buyer, except for credit transactions covered in subsection C. of this section, must be remitted by the seller to the city at the time of transmitting the return, and is not so remitted or if the return is not timely filed, such tax is delinquent. The postmark shall determine the date of filing mailed returns. In addition, a late payment penalty of five percent (5%) per month or any fraction thereof, until a total late payment penalty of twenty-five percent (25%) has accrued. The tax levied under this ordinance, whether or not collected from the buyer, except for credit accrued shall be added to all returns until such tax, penalty and interest thereon have been paid. Such penalty shall be assessed and collected in the same manner as the tax is assessed and collected. In addition to these penalties, interest at the rate of fifteen percent (15%) per year on the delinquent tax from the date of delinquency until paid shall accrue and be collected in the same manner the delinquent tax is collected.

C. The seller shall report and remit sales tax to the city on the same basis, cash or accrual, the seller uses for reporting federal income tax. A seller reporting on the accrual basis shall be allowed a tax credit for sales tax previously paid by the seller on any sale, service or rental made on credit to the extent the seller declares such debt to be uncollectible and a bad debt for federal income tax purposes. Such bad debt credit must be claimed on a timely filed sales tax report within two years from the date of sale in which the bad debt arose.

D. Information shall be confidential. Except as otherwise provided herein, all returns, reports and information required to be filed with the city under this ordinance and all information deducible from such filed returns, reports and information, shall be kept confidential and are not subject to public inspection. Except upon court order, such returns, reports and information shall be made available only to employees of the city whose job responsibilities are directly related to such returns, reports and information to the person authorized in writing by the person supplying such returns, reports and information. The following information shall be made available to the public: the name and address of sellers; whether or not a business is registered to collect sales tax in the city; whether or not a business is current in filing sales tax returns and in remitting sales tax, the amount of sales tax due and the number of returns not filed. There may be published, from time to time, the names of sellers delinquent in remitting sales taxes and the amount thereof; provided that the names of sellers who have signed a confession of judgment for the delinquent sales taxes, penalties and interest, and a stipulation to postpone such stipulation as of the date on which the names are submitted to the publisher, will not be published. Information may also be made available to the public in the form of statistical reports if the identity of particular sellers is not revealed by the reports.

09.06.080 Sellers' Compensatory Collection Discount. All sellers and persons rendering sales tax returns to the city shall be allowed to compensate themselves for costs incurred in the collection, record keeping, remittance, and accounting for the tax imposed by taking one percent (1%) of the tax due as a tax collection discount to reduce the tax to be remitted on any quarterly return that is filed on a timely basis with a remittance of all sales taxes due. The deduction may not exceed one hundred dollars (\$100.00) for any reporting period, and may not be taken if any sales tax, penalty or interest is due for any previous reporting period.

09.06.090 Assessment Limitation Periods—Record Keeping. A. The amount of any tax imposed under this ordinance may be determined and assessed for a period of three (3) years after the tax became due and payable, and the beginning of the three (3) year period shall

be the day of the month corresponding to the expiration date for the submission of any quarterly return period prescribed by this ordinance; provided, however, that no suit for the collection of such tax shall begin after the expiration of such period except for taxes, penalty and interest due for such quarters as are the subject of a written demand or assessment made under Section 09.06.100 of this ordinance within such three-year (3-year) period, unless the seller waives the protection of this section.

B. In order to facilitate the administration and enforcement of the provisions of this ordinance, each seller or person otherwise engaged in applicable business within the city shall maintain and keep for a period of three (3) years all of the quarterly sales tax reports, forms and supporting records and other records prescribed by the city official administering this ordinance. The failure to maintain adequate records to allow documentation of the taxability of each transaction will result in the loss of any tax exemption, deduction or credit for that particular transaction. Upon the request of the city official administering this ordinance a seller shall make available for examination in the city the books, records and other documents of the seller unless said official authorizes the examination to be conducted at a different location.

09.06.100 Delinquency-Failure to Submit Return or to Remit Taxes-Assessments.

A. Whenever the city official administering this ordinance reasonably believes a return contains inaccurate reporting or whenever any seller has become delinquent in the submission of the required quarterly return or in remitting sales taxes, there shall be mailed to the delinquent seller's last known address a written demand by certified mail, return receipt requested for the submission of the corrected or required sales tax return and remittance within ten (10) days. In the event of non-compliance with such demand, the city official administering this ordinance may make a sales tax assessment against the taxable revenue received by the seller during the quarterly period in question. A copy of the assessment shall be sent to the seller at his last known address by certified mail, return receipt requested. The seller shall have a right to a hearing before the city official administering this ordinance at which time the seller shall make available for examination the books, papers, records and other documents pertaining to the sales and revenue of the period involved in the assessment. The seller may exercise his right to a hearing by delivering to the city clerk or city official administering this ordinance within fifteen (15) days of the date the notice was mailed a written request for a hearing. The city clerk or city official administering this ordinance shall establish a date and time for a hearing to be held within ten (10) days of receipt of the request, unless a later time is mutually agreeable. The person conducting the hearing shall issue an amended assessment if it is determined an amendment should be made. The amended assessment, or the original assessment, if no amendment is made within five (5) days of the hearing, shall be the final assessment for the purpose of determining the seller's liability to the city. If no timely request for a hearing is made, the original assessment shall be the final assessment thirty (30) days after the mailing of the notice of the original assessment, unless the seller has submitted an accurate return within the thirty (30) days.

B. The city may file a civil action for collection of any taxes, penalty or interest due before or after making a demand or assessment under Subsection (A) of this section.

C. Whenever any seller fails to submit the required quarterly return or remit taxes after notice given as provided in Subsection (A) of this section, the city official administering this ordinance may require such seller to submit returns and remit taxes on a monthly or more frequent basis.

09.06.110 Protest of Tax. A. A buyer who protests the payment of the tax levied under this ordinance shall pay the tax and shall provide the seller and the city official administering this ordinance with a written statement of protest within five (5) working days of the sale that identifies the sale, rental, or service that is the subject of the tax protested, the amount of tax paid, the buyer's and seller's name, mailing address, telephone number and the basis for the protest.

B. If the seller protests his liability on an assessment under Section 100, which has become final, he shall pay the tax under written protest setting forth the basis for the protest. No action for a refund may be maintained nor may a defense to non-payment be maintained in a civil action unless the amount in dispute has been paid by the seller under written protest filed at or before the time of payment.

09.06.120 Forgiveness of Uncollected Taxes, Penalties and Interest. The City Council, or the city official administering this ordinance when so authorized by the City Council, may forgive the payment of uncollected sales taxes, interest and penalty thereon and penalties for failure to file (owed by a seller to the city) upon a determination by the city official administering this ordinance that such uncollected sales taxes have never been collected by a substantial portion of a clearly definable class of seller; or, which have never been collected on a substantial portion of a clearly defined class or type of transaction or service.

09.06.130 Penalties. Violation of any provision of this chapter is a civil violation for which a notice may be issued under the provisions set forth in Chapter 01.05 and subject to a civil penalty in the amount set forth in Section 01.05.030 not to exceed five hundred dollars (\$500).

09.06.140 Registration. A person, firm, co-partnership, corporation, or other business entity shall register with the city official administering this ordinance before making retail sales, rendering services or make rentals within the city.

09.06.150 Deposit by Non-residents.

A. A person, corporation, or other association that is about to make sales, perform services, or make rentals shall first register with the city official administering this ordinance and shall make the deposit required by this section unless the person has been a resident of the city for six (6) months prior to registering or the corporation or association is composed of such residents or has been regularly engaged in business within the city for nine (9) of the twelve (12) months preceding registration.

B. The deposit required under subsection "A" must be an amount that the city official administering this ordinance determines is not less than the maximum amount of sales tax that the person, corporation, or other association is likely to be required to collect during any quarter within a year of the date of registration.

C. The deposit must be refunded upon written request and a determination by the city official administering this ordinance that:

1. the seller has filed sales tax returns and made full remittance of sales taxes owing for the preceding four (4) consecutive, complete quarters; or
2. that the seller has filed a statement that he has ceased engaging in transactions within the city and has remitted unless the city official administering this ordinance has initiated an audit of the seller or has otherwise questioned a return made during the period under consideration.

D. The city official administering this ordinance may order the withdrawal from the deposit of the seller so much as said official determines is required to make up for any deficiency or late payment of taxes. No seller may engage in transactions within the city after receipt of written notice that the city official administering this ordinance has withdrawn all or a portion of the seller's deposit for application to a delinquent or insufficient payment of sales taxes. Upon the deposit with the city of funds restoring the deposit to its original amount or such higher amount as the city official administering this ordinance determines is appropriate in the light of the actual sales experience of the seller, the seller may again engage in transactions. A seller may not deduct the deposit amount from his last or any other sales tax return.

09.06.160 Inspection of Business License. Each person who exercises the privilege of doing business within the city thereby consents to the inspection of the person's Alaska State Business License in order to facilitate the administration of this ordinance.

09.06.170 Sale of Business-Final Tax Return-Liability of Purchaser. A. If any seller sells, assigns, transfers, conveys, leases, forfeits or abandons the business to another person, the seller shall make a final sales tax return within fifteen (15) days after the date of selling, assigning, transferring, conveying, leasing, forfeiting or abandoning the business showing that all tax obligations imposed by this ordinance have been paid. The purchaser, successor, transferee, lessee, assignee, creditor or secured party shall withhold a sufficient portion of the purchase money to pay the amount of such sales taxes, penalties and interest as may be due and unpaid to the city. If the purchaser, assignee, transferee, lessee, successor, creditor or secured party fails to withhold from the purchase money, or fails to otherwise provide for or make the payment of the taxes, interest and penalty owed by the business as provided in this ordinance, the purchaser, assignee, transferee, lessee, successor, creditor or secured party shall be personally liable for the payment of taxes, penalties and interest accruing and unpaid to the city on account of operation of business of any former owner, owners, operators or assigns.

B. Before the sale, lease, assignment, transfer, or other disposition of the business is completed, the seller shall file with the city official administering this ordinance an informational notice identifying the name and address of each person or entity involved in the transaction, the nature of the transaction, and the effective date of the transaction.

09.06.180 Lien for Tax, Interest and Penalty. A. The tax, interest and penalty imposed under this ordinance in addition to the lien filing fee under Subsection "B." of this section shall constitute a lien in favor of the city upon the assets, including all real and personal property, of every person making taxable sales within the city. The lien arises upon delinquency and continues until liability for the amount is satisfied or the property of the delinquent person is sold at foreclosure sales. The lien is not valid as against a prior mortgagee, pledge, purchaser, or

judgment creditor until notice of the lien is filed in the office of the recorder for the Sitka recording district in the manner provided for federal tax liens in AS 43.10.090 through 43.10.150.

- B. Fees for the filing and releasing of liens shall be:
 - 1. filing of liens, twenty-five dollars (\$25.00) plus recorder's office filing fee;
 - 2. release of liens, twenty-five (\$25.00) plus recorder's office filing fee.
- C. The above rates may be changed in guidelines adopted by the City Council by resolution from time to time to reflect the costs of providing municipal services generally.

09.06.190 Collected Taxes. Taxes collected under this ordinance by a seller shall belong to the city and shall be held by the seller in trust for the city until paid over as provided in this ordinance.

09.06.200 Use of Proceeds. The proceeds of this tax shall be used for the general fund.

09.06.210 Appeals. A. Informal Appeal. For controversies involving taxable sales, sales taxes, penalties and interest not exceeding five hundred dollars (\$500.00), or involving procedures implemented by the city official administering this ordinance, an appeal by a financially aggrieved taxpayer or merchant shall be directed to the mayor. The mayor shall advise the appellant of a date certain for a hearing and shall informally review the appeal claim, make written findings and state reasons for the decision. The decisions shall be maintained and indexed by the city official administering this ordinance for review by the public. The appellant may appeal the decision of the mayor to the Board of Appeals within fifteen (15) days after receipt of the written decision of the mayor; and, failure of the appellant to so appeal shall be deemed to be a waiver of any right to appeal such decision.

- B. Board of Appeals.
 - 1. In order to provide an appeal mechanism for controversies involving taxable sales, sales taxes, penalties and interest, and exceeding five hundred dollars (500.00), and in order to hear appeals from decisions of the mayor as provided under Subsection "A" of this section, there is established a Board of Appeals which shall consist of the City Council.
 - 2. The City Council shall adopt rules of procedure for the Board of Appeals provided for in Subsection "B" "1" of this section. Such rules may not be inconsistent with this ordinance.

CHAPTER 09.065

REMOTE SELLERS SALES TAX

Sections:	09.065.010	Interpretation.
	09.065.020	Title to Collected Sales Tax
	09.065.030	Imposition – Rate
	09.065.040	Obligation to Collect Tax - Threshold Criteria
	09.065.050	No Retroactive Application
	09.065.060	Payment and Collection
	09.065.070	Remote Seller and Marketplace Facilitator Registration Requirement
	09.065.080	Tax Filing Schedule
	09.065.090	Estimated Tax
	09.065.100	Returns – Filing Contents
	09.065.110	Refunds
	09.065.120	Amended Returns
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	09.065.140	Audits
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	09.065.180	Remote Seller or Marketplace Facilitator Record Retention
	09.065.190	Cessation or Transfer of Business
	09.065.200	Use of Information on Tax Returns
	09.065.210	Violations
	09.065.220	Penalties for Violations
	09.065.230	Sellers with a Physical Presence in the Taxing Jurisdiction.
	09.065.240	Remittance of Tax; Remote Seller Held Harmless.
	09.065.250	Definitions
	09.065.260	Supplemental Definitions.

09.065.010 Interpretation.

- A. In order to prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person or entity engaging in business are subject to the sales tax.
- B. The application of the tax levied under this Code shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax levied under this Code or from the taxing jurisdiction shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this Code or the taxing jurisdiction's Code.
- D. The scope of this Code shall apply to remote sellers or marketplace facilitators, delivering products or services to Member municipalities adopting this Code, within the state of Alaska.

09.065.020 Title to Collected Sales Tax

Upon collection by the remote seller or marketplace facilitator, title to collected sales tax vests in the Commission for remittance to the taxing jurisdiction. The remote seller or marketplace facilitator remits collected sales tax to the Commission on behalf of the taxing jurisdiction, from whom that power is delegated, in trust for the taxing jurisdiction and is accountable to the Commission and taxing jurisdiction.

09.065.030 Imposition – Rate

- A. To the fullest extent permitted by law, a sales tax is levied and assessed on all remote sales where delivery is made within the local taxing jurisdiction(s) that is a Member, within the state of Alaska.
- B. The applicable tax shall be added to the sales price.
- C. The tax rate added to the sale price shall be the tax rate for the taxing jurisdiction(s) where the property or product is sold, or service that was rendered is received, and based on the date the property or product was sold or the date the service rendered was received.
- D. An Address and Tax Rate Database will be made available to remote sellers and marketplace facilitators, indicating the appropriate tax rate to be applied.
- E. The tax assessed shall be consistent with relevant jurisdictional tax caps, single unit sales, and exemptions.
- F. When a sale is made on an installment basis, the applicable sales tax shall be collected at each payment, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered, based on the local jurisdictions' Code(s).
- G. When a sales transaction involves placement of a single order with multiple deliveries made at different points in time that are separately invoiced, the applicable sales tax shall be collected on each separately invoiced delivery, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered.

09.065.040 Obligation to Collect Tax - Threshold Criteria

- A. Any remote seller or marketplace facilitator must collect and remit sales tax in compliance with all applicable procedures and requirements of law, provided the remote seller or marketplace facilitator has met one of the following Threshold Criteria (“Threshold Criteria”) in the previous calendar year:
 - 1. The remote seller’s statewide gross sales, including the seller’s marketplace facilitator’s statewide gross sales, from the sale(s) of property, products or services delivered into the state meets or exceeds one hundred thousand dollars (\$100,000);
or
 - 2. The remote seller, including the seller’s marketplace facilitator, sold property, products, or services delivered into the state in two hundred (200) or more separate transactions.
- B. For purposes of determining whether the Threshold Criteria are met, remote sellers or marketplace facilitators shall include all gross sales, from all sales of goods, property, products, or services rendered within the state of Alaska.

09.065.050 No Retroactive Application

The obligations to collect and remit sales tax required by this chapter are applicable at the effective date of the ordinance adopting the Alaska Remote Seller Sales Tax Code.

09.065.060 Payment and Collection

Pursuant to this Code, taxes imposed shall be due and paid by the buyer to the remote seller or marketplace facilitator at the time of the sale of property or product or date service is rendered, or with respect to credit transactions, at the time of collection. It shall be the duty of each remote seller or marketplace facilitator to collect the taxes from the buyer and to hold those taxes in trust for the taxing authority of the taxing jurisdiction. Failure by the remote seller or marketplace facilitator to collect the tax shall not affect the remote seller's, or marketplace facilitator's, responsibility for payment to the Commission.

09.065.070 Remote Seller and Marketplace Facilitator Registration Requirement

- A. If a remote seller's gross statewide sales within the last calendar year meets or exceeds the Threshold Criteria, the remote seller shall register with the Commission. If a marketplace facilitator's gross statewide sales within the last calendar year meets or exceeds the Threshold Criteria, the marketplace facilitator shall register with the Commission.
- B. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the effective date of this Code or within thirty (30) calendar days of meeting the Threshold Criteria whichever occurs second. Registration shall be to the Commission on forms prescribed by the Commission.
- C. An extension may be applied for and granted based on criteria established by the Commission, based on evidence produced to describe time necessary to update software or other technical needs, not to exceed ninety (90) days.
- D. Upon receipt of a properly executed application, the Commission shall confirm registration, stating the legal name of the remote seller or marketplace facilitator, the primary address, and the primary sales tax contact name and corresponding title. The failure of the Commission to confirm registration does not relieve the remote seller or marketplace facilitator of its duty to collect and remit sales tax.
- E. Each business entity shall have a sales tax registration under the advertised name.
- F. The sales tax certificate is non-assignable and non-transferable.

09.065.080 Tax Filing Schedule

- A. All remote sellers or marketplace facilitators subject to this Code shall file a return on a form or in a format prescribed by the Commission and shall pay the tax due.
- B. Filing of sales tax returns are due monthly; quarterly filing is optional upon application and approval by the Commission, consistent with the code of the local jurisdiction.
- C. A remote seller or marketplace facilitator who has filed a sales tax return will be presumed to be making sales in successive periods unless the remote seller or marketplace facilitator files a return showing a termination or sale of the business in accordance with this Code.
- D. The completed and executed return, together with the remittance in full for the tax due,

shall be transmitted to and must be received by the Commission on or before midnight Alaska Standard Time on the due date. Monthly returns are due the last day of the immediate subsequent month. Quarterly returns are due as follows:

Quarter 1 (January – March)	April 30
Quarter 2 (April – June)	July 31
Quarter 3 (July – September)	October 31
Quarter 4 (October – December)	January 31

- E. If the last day of the month following the end of the filing period falls on a Saturday, Sunday, federal holiday or Alaska state holiday, the due date will be extended until the next business day immediately following.
- F. Any remote seller or marketplace facilitator holding a remote seller registration shall file a sales tax return even though no tax may be due. This return shall show why no tax is due. If the remote seller or marketplace facilitator intends to continue doing business a return shall be filed reflecting no sales and a confirmation of the intent to continue doing business and shall continue to do so each filing period until the entity ceases doing business or sells the business. If the remote seller or marketplace facilitator intends to cease doing business, a final return shall be filed along with a statement of business closure.
- G. The remote seller or marketplace facilitator shall prepare the return and remit sales tax to the Commission on the same basis, cash or accrual, which the remote seller or marketplace facilitator uses in preparing its federal income tax return. The remote seller or marketplace facilitator shall sign the return, and transmit the return, with the amount of sales tax and any applicable penalty, interest or fees that it shows to be due, to the Commission.
- H. Remote sellers and marketplace facilitators failing to comply with the provisions of this Code shall, if required by the Commission and if quarterly filing has been chosen, file and transmit collected sales taxes more frequently until such time as they have demonstrated to the Commission that they are or will be able to comply with the provisions of this Code. Six (6) consecutive on-time sales tax filings, with full remittance of the sales taxes collected, shall establish the presumption of compliance and return to quarterly filing.
- I. The preparer of the sales tax return shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases. Documentation for exempted sales should include the number of the exemption authorization card presented by the buyer at the time of the purchase; the date of the purchase; the name of the person making the purchase; the organization making the purchase; the total amount of the purchase; and the amount of sales tax exempted. This documentation shall be made available to the Commission upon request. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

09.065.090 Estimated Tax

- A. In the event the Commission is unable to ascertain the tax due from a remote seller or marketplace facilitator by reason of the failure of the remote seller or marketplace facilitator to keep accurate books, allow inspection, or file a return, or by reason of the

remote seller or marketplace facilitator filing a false or inaccurate return, the Commission may make an estimate of the tax due based on any evidence in their possession.

- B. Sales taxes may also be estimated, based on any information available, whenever the Commission has reasonable cause to believe that any information on a sales tax return is not accurate.
- C. A remote seller's or marketplace facilitator's tax liability under this Code may be determined and assessed for a period of six (6) years after the date the return was filed or due to be filed with the Commission. No civil action for the collection of such tax may be commenced after the expiration of the six- (6-) year period except an action for taxes, penalties and interest due from those filing periods that are the subject of a written demand or assessment made within the six- (6-) year period, unless the remote seller or marketplace facilitator waives the protection of this section.
- D. The Commission shall notify the remote seller or marketplace facilitator, in writing, that the Commission has estimated the amount of sales tax that is due from the remote seller or marketplace facilitator. The Commission shall serve the notice on the remote seller or marketplace facilitator by delivering the notice to the remote seller's or marketplace facilitator's place of business, or by mailing the notice by certified mail, return receipt requested, to the remote seller's or marketplace facilitator's last known mailing address. A remote seller or marketplace facilitator who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.
- E. The Commission's estimate of the amount of sales tax that is due from a remote seller or marketplace facilitator shall become a final determination of the amount that is due unless the remote seller or marketplace facilitator, within thirty (30) calendar days after service of notice of the estimated tax:
 - 1. Files a complete and accurate sales tax return for the delinquent periods supported by satisfactory records and accompanied by a full remittance of all taxes, interest, penalties, costs and other charges due; or
 - 2. Files a written notice with the Commission appealing the estimated tax amount in accordance with the appeal procedures.
 - 3. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting an appeal of an assessment are:
 - a. The identity of the remote seller or marketplace facilitator is in error;
 - b. The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for appeal); or
 - c. The remote seller or marketplace facilitator disputes the denial of exemption(s) for certain sales.
- F. The amount of sales tax finally determined to be due under this section shall bear interest and penalty from the date that the sales tax originally was due, plus an additional civil penalty of fifty dollars (\$50) for each calendar month or partial month for which the amount of sales tax that is due has been determined.

09.065.100 Returns – Filing Contents

- A. Every remote seller or marketplace facilitator required by this chapter to collect sales tax shall file with the Commission upon forms furnished by the Commission a return setting forth the following information with totals rounded to the nearest dollar:
 - 1. Gross sales;

2. The nontaxable portions separately stating the amount of sales revenue attributable to each class of exemption;
 3. Computation of taxes to be remitted;
 4. Calculated discount (if applicable) based on taxing jurisdiction's code; and
 5. Such other information as may be required by the Commission.
- B. Each tax return remitted by a remote seller or marketplace facilitator shall be signed (digital or otherwise) by a responsible individual who shall attest to the completeness and accuracy of the information on the tax return.
- C. The Commission reserves the right to reject a filed return for failure to comply with the requirements of this Code for up to three (3) months from the date of filing. The Commission shall give written notice to a remote seller or marketplace facilitator that a return has been rejected, including the reason for the rejection.

09.065.110 Refunds

- A. Upon request from a buyer or remote seller or marketplace facilitator the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller or marketplace facilitator shall process the refund and amend any returns accordingly.
- B. If the claimant is a remote seller or marketplace facilitator, and the tax refund is owed to any buyer, the remote seller or marketplace facilitator submits, and the Commission approves, a refund plan to all affected buyers.
- C. The Taxing Jurisdictions may allow a buyer to request a refund directly from the Taxing Jurisdiction.

09.065.120 Amended Returns

- A. A remote seller or marketplace facilitator may file an amended sales tax return, with supporting documentation, and the Commission may accept the amended return, but only in the following circumstances:
- i. The amended return is filed within one (1) year of the original due date for the return; and
 - ii. The remote seller or marketplace facilitator provides a written justification for requesting approval of the amended return; and
 - iii. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the Commission.
- B. The Commission shall notify the remote seller or marketplace facilitator in writing (by email or otherwise) whether the Commission accepts or rejects an amended return, including the reasons for any rejection.
- C. The Commission may adjust a return for a remote seller or marketplace facilitator if, after investigation, the Commission determines the figure included in the original returns are incorrect; and the Commission adjusts the return within two (2) years of the original due date for the return.
- D. A remote seller or marketplace facilitator may file a supplemental sales tax return, with supporting documentation, and the Commission may accept the supplemental return, but only in the following circumstances:
- i. The remote seller or marketplace facilitator provides a written justification for requesting approval of the supplemental return; and

- ii. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the Commission.

09.065.130 Extension of Time to File Tax Return

Upon written application of a remote seller or marketplace facilitator, stating the reasons therefor, the Commission may extend the time to file a sales tax return but only if the Commission finds each of the following:

1. For reasons beyond the remote seller's or marketplace facilitator's control, the remote seller or marketplace facilitator has been unable to maintain in a current condition the books and records that contain the information required to complete the return;
2. Such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon the remote seller or marketplace facilitator;
3. The remote seller or marketplace facilitator has a plan to cure the problem that caused the remote seller or marketplace facilitator to apply for an extension and the remote seller or marketplace facilitator agrees to proceed with diligence to cure the problem;
4. At the time of the application, the remote seller or marketplace facilitator is not delinquent in filing any other sales tax return, in remitting sales tax to the Commission or otherwise in violation of this chapter;
5. No such extension shall be made retroactively to cover existing delinquencies.

09.065.140 Audits

- A. Any remote seller or marketplace facilitator who has registered with the Commission, who is required to collect and remit sales tax, or who is required to submit a sales tax return is subject to a discretionary sales tax audit at any time. The purpose of such an audit is to examine the business records of the remote seller or marketplace facilitator in order to determine whether appropriate amounts of sales tax revenue have been collected by the remote seller or marketplace facilitator and remitted to the Commission.
- B. The Commission is not bound to accept a sales tax return as correct. The Commission may make an independent investigation of all retail sales or transactions conducted within the State or taxing jurisdiction.
- C. The records that a remote seller or marketplace facilitator is required to maintain under this chapter shall be subject to inspection and copying by authorized employees or agents of the Commission for the purpose of auditing any return filed under this chapter, or to determine the remote seller's or marketplace facilitator's liability for sales tax where no return has been filed.
- D. In addition to the information required on returns, the Commission may request, and the remote seller or marketplace facilitator must furnish, any reasonable information deemed necessary for a correct computation of the tax.
- E. The Commission may adjust a return for a remote seller or marketplace facilitator if, after investigation or audit, the Commission determines that the figures included in the original return are incorrect, and that additional sales taxes are due; and the Commission adjusts the return within two (2) years of the original due date for the return.
- F. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the Commission may conduct investigations, hearings and audits and may examine any relevant books, papers, statements, memoranda, records, accounts or other writings of any remote seller or marketplace facilitator at any

reasonable hour on the premises of the remote seller or marketplace facilitator and may require the attendance of any officer or employee of the remote seller or marketplace facilitator. Upon written demand by the Commission, the remote seller or marketplace facilitator shall present for examination, in the office of the Commission, such books, papers, statements, memoranda, records, accounts and other written material as may be set out in the demand unless the Commission and the person upon whom the demand is made agree to presentation of such materials at a different place.

- G. The Commission may issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda. If any remote seller or marketplace facilitator refuses to obey any such subpoena, the Commissioner may refer the matter to the Commission's attorney for an application to the superior court for an order requiring the remote seller or marketplace facilitator to comply therewith.
- H. Any remote seller, marketplace facilitator, or person engaged in business who is unable or unwilling to submit their records to the Commission shall be required to pay the Commission for all necessary expenses incurred for the examination and inspection of their records maintained outside the Commission.
- I. After the completion of a sales tax audit, the results of the audit will be sent to the business owner's address of record.
- J. In the event the Commission, upon completion of an audit, discovers more than five hundred dollars (\$500) in additional sales tax due from a remote seller or marketplace facilitator resulting from a remote seller's or marketplace facilitator's failure to accurately report sales and taxes due thereupon, the remote seller or marketplace facilitator shall bear responsibility for the full cost of the audit. The audit fee assessment will be in addition to interest and penalties applicable to amounts deemed to be delinquent by the Commission at the time of the conclusion of the audit.

09.065.150 Audit Protest

- A. If the remote seller or marketplace facilitator wishes to dispute the amount of the estimate, or the results of an examination or audit, the remote seller or marketplace facilitator must file a written protest with the Commission, within thirty (30) calendar days of the date of the notice of estimated tax or results of an audit or examination. The protest must set forth:
 - 1. The remote seller's or marketplace facilitator's justification for reducing or increasing the estimated tax amount, including any missing sales tax returns for the periods estimated; or
 - 2. The remote seller's or marketplace facilitator's reasons for challenging the examination or audit results.
- B. In processing the protest, the Commission may hold an informal meeting or hearing with the remote seller or marketplace facilitator, either on its own or upon request of the remote seller or marketplace facilitator, and may also require that the remote seller or marketplace facilitator submit to an audit, if one was not previously conducted or a more formal audit, if an estimation audit was previously performed.
- C. The Commission shall make a final written determination on the remote seller's or marketplace facilitator's protest and mail a copy of the determination to the remote seller or marketplace facilitator.
- D. If a written protest is not filed within thirty (30) days of the date of the notice of

estimated tax or the result of a review, audit or examination, then the estimated tax, review, audit or examination result shall be final, due and payable to the Commission.

09.065.160 Penalties and Interest for Late Filing

- A. A late filing fee of twenty-five dollars (\$25) per month (or quarter) shall be added to all late-filed sales tax reports in addition to interest and penalties.
- B. Delinquent sales tax bear interest at the rate of fifteen percent (15%) per annum until paid.
- C. In addition, delinquent sales tax shall be subject to an additional penalty of 5% per month, or fraction thereof, until a total of 20% of delinquent tax has been reached. The penalty does not bear interest.
- D. Fees, penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected, and applied first to fees, penalties and interest, second to past due sales tax.
- E. The filing of an incomplete return, or the failure to remit all tax, shall be treated as the filing of no return.
- F. A penalty assessed under this section for the delinquent remittance of sales tax or failure to file a sales tax return may be waived by the Commission, upon written application of the remote seller or marketplace facilitator accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the remote seller or marketplace facilitator, within forty-five (45) calendar days after the date of delinquency. A remote seller or marketplace facilitator may not be granted more than one (1) waiver of penalty under this subsection in any one calendar year. The Commission shall report such waivers of penalty to the taxing jurisdiction, in writing.

09.065.170 Repayment Plans

- A. The Commission may agree to enter into a repayment plan with a delinquent remote seller or marketplace facilitator. No repayment plan shall be valid unless agreed to by both parties in writing.
- B. A remote seller or marketplace facilitator shall not be eligible to enter into a repayment plan with the Commission if the remote seller or marketplace facilitator has defaulted on a repayment plan in the previous two (2) calendar years.
- C. The repayment plan shall include a secured promissory note that substantially complies with the following terms:
 - i. The remote seller or marketplace facilitator agrees to pay a minimum of ten percent (10%) down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
 - ii. The remote seller or marketplace facilitator agrees to pay the balance of the tax, penalty and interest owed in monthly installments over a period not to exceed two (2) years.
 - iii. Interest at a rate of fifteen percent (15%) per annum shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
 - iv. If the remote seller or marketplace facilitator is a corporation or a limited

liability entity the remote seller or marketplace facilitator agrees to provide a personal guarantee of the obligations under the repayment plan.

- v. The remote seller or marketplace facilitator agrees to pay all future tax bills in accordance with the provisions of this chapter.
 - vi. The remote seller or marketplace facilitator agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the Commission at the time the repayment plan is signed. The remote seller or marketplace facilitator shall be responsible for the cost of recording the tax lien.
- D. If a remote seller or marketplace facilitator fails to pay two (2) or more payments as required by the repayment plan agreement, the remote seller or marketplace facilitator shall be in default and the entire amount owed at the time of default shall become immediately due. The Commission will send the remote seller or marketplace facilitator a notice of default. The Commission may immediately foreclose on the sales tax lien or take any other remedy available under the law.

09.065.180 Remote Seller or Marketplace Facilitator Record Retention

Remote sellers or marketplace facilitators shall keep and preserve suitable records of all sales made and such other books or accounts as may be necessary to determine the amount of tax which the remote seller or marketplace facilitator is obliged to collect. Remote sellers or marketplace facilitators shall preserve suitable records of sales for a period of six (6) years from the date of the return reporting such sales, and shall preserve for a period of six (6) years all invoices of goods and merchandise purchased for resale, and all such other books, invoices and records as may be necessary to accurately determine the amount of taxes which the remote seller or marketplace facilitator was obliged to collect under this chapter.

09.065.190 Cessation or Transfer of Business

- A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits, transfers or assigns the majority of their business interest, including a creditor or secured party, shall make a final sales tax return within thirty (30) days after the date of such conveyance.
- B. At least ten (10) business days before any such sale is completed, the remote seller or marketplace facilitator shall send to the Commission, by approved communication (email confirmation, certified first-class mail, postage prepaid) a notice that the remote seller's or marketplace facilitator's interest is to be conveyed and shall include the name, address and telephone number of the person or entity to whom the interest is to be conveyed.
- C. Upon notice of sale and disclosure of buyer, the Commission shall be authorized to disclose the status of the remote seller's or marketplace facilitator's sales tax account to the named buyer or assignee.
- D. Upon receipt of notice of a sale or transfer, the Commission shall send the transferee a copy of this Code with this section highlighted.
- E. Neither the Commission's failure to give the notice nor the transferee's failure to receive the notice shall relieve the transferee of any obligations under this section.
- F. Following receipt of the notice, the Commission shall have sixty (60) days in which to perform a final sales tax audit and assess sales tax liability against the seller of the business. If the notice is not mailed at least ten (10) business days before the sale is

completed, the Commission shall have twelve (12) months from the date of the completion of the sale or the Commission's knowledge of the completion of the sale within which to begin a final sales tax audit and assess sales tax liability against the seller of the business. The Commission may also initiate an estimated assessment if the requirements for such an assessment exist.

- G. A person acquiring any interest of a remote seller or marketplace facilitator in a business required to collect the tax under this chapter assumes the liability of the remote seller or marketplace facilitator for all taxes due the Commission, whether current or delinquent, whether known to the Commission or discovered later, and for all interest, penalties, costs and charges on such taxes.
- H. Before the effective date of the transfer, the transferee of a business shall obtain from the Commission an estimate of the delinquent sales tax, penalty and interest, if any, owed by the remote seller or marketplace facilitator as of the date of the transfer, and shall withhold that amount from the consideration payable for the transfer, until the remote seller or marketplace facilitator has produced a receipt from the Commission showing that all tax obligations imposed by this chapter have been paid. A transferee that fails to withhold the amount required under this subsection shall be liable to the Commission and taxing jurisdiction for the lesser of the amount of delinquent sales tax, penalty and interest due from the remote seller or marketplace facilitator as of the date of transfer, and the amount that the transferee was required to withhold.
- I. In this section, the term "transfer" includes the following:
 - 1. A change in voting control, or in more than fifty percent (50%) of the ownership interest in a remote seller or marketplace facilitator that is a corporation, limited liability company or partnership; or
 - 2. A sale of all or substantially all the assets used in the business of the remote seller or marketplace facilitator; or
 - 3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the remote seller's or marketplace facilitator's gross receipts from sales, rentals or services.
- J. Subsection H of this section shall not apply to any person who acquires their ownership interest in the ongoing business as a result of the foreclosure of a lien that has priority over the Commission's sales tax lien.
- K. Upon termination, dissolution or abandonment of a corporate business, any officer having control or supervision of sales tax funds collected, or who is charged with responsibility for the filing of returns or the payment of sales tax funds collected, shall be personally liable for any unpaid taxes, interest, administrative costs and penalties on those taxes if such officer willfully fails to pay or cause to be paid any taxes due from the corporation. In addition, regardless of willfulness, each director of the corporation shall be jointly and severally liable for unpaid amounts. The officer shall be liable only for taxes collected which became due during the period he or she had the control, supervision, responsibility or duty to act for the corporation. This section does not relieve the corporation of other tax liabilities or otherwise impair other tax collection remedies afforded by law.
- L. A remote seller or marketplace facilitator who terminates the business without the benefit of a purchaser, successor or assign shall make a final tax return and settlement of tax obligations within thirty (30) days after such termination. If a final return and

settlement are not received within thirty (30) days of the termination, the remote seller or marketplace facilitator shall pay a penalty of one hundred dollars (\$100), plus an additional penalty of twenty-five dollars (\$25) for each additional thirty- (30-) day period, or part of such a period, during which the final return and settlement have not been made, for a maximum of six (6) additional periods.

09.065.200 Use of Information on Tax Returns

- A. Except as otherwise provided in this chapter, all returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
 - 1. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 - 2. The person supplying such returns, reports and information; and
 - 3. Persons authorized in writing by the person supplying such returns, reports and information.
- B. The Commission will release information described in subsection A of this section pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise required by law to do so.
- C. Notwithstanding subsection A of this section, the following information is available for public inspection:
 - 1. The name and address of sellers;
 - 2. Whether a business is registered to collect taxes under this chapter;
 - 3. The name and address of businesses that are sixty (60) days or more delinquent in filing returns or in remitting sales tax, or both filing returns and remitting sales tax; and, if so delinquent, the amount of estimated sales tax due, and the number of returns not filed.
- D. The Commission may provide the public statistical information related to sales tax collections, provided that no information identifiable to a particular remote seller or marketplace facilitator is disclosed.
- E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or their duly authorized representative, of a copy of any return or report filed by them, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers, remote sellers, or marketplace facilitators, nor to prohibit the furnishing of information on a reciprocal basis to other agencies or political subdivisions of the state or the United States concerned with the enforcement of tax laws.
- F. Nothing contained in this section shall be construed to prohibit the disclosure through enforcement action proceedings or by public inspection or publication of the name, estimated balance due, and current status of payments, and filings of any remote seller or marketplace facilitator or agent of any remote seller or marketplace facilitator required to collect sales taxes or file returns under this chapter, who fails to file any return and/or remit in full all sales taxes due within thirty (30) days after the required date for that business. Entry into any agreement whether pursuant to the provisions of this chapter or otherwise shall not act as any prohibition to disclosure of the records of that remote seller or marketplace facilitator as otherwise provided in this chapter.
- G. A prospective lessee or purchaser of any business or business interest may inquire as to the obligation or tax status of any business upon presenting to the Commission a release

of tax information request signed by the authorized agent of the business.

- H. All returns referred to in this chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection.

09.065.210 Violations

- A. A remote seller or marketplace facilitator that fails to file a sales tax return or remit sales tax when due, in addition to any other liability imposed by this Code, shall pay to the Commission all costs incurred by the Commission to determine the amount of the remote seller's or marketplace facilitator's liability or to collect the sales tax, including, without limitation, reviewing and auditing the remote seller's or marketplace facilitator's business records, collection agency fees, and actual reasonable attorney's fees.
- B. A person who causes or permits a corporation of which the person is an officer or director, a limited liability company of which the person is a member or manager, or a partnership of which the person is a partner, to fail to collect sales tax or to remit sales tax to the Commission as required by this Code shall be liable to the Commission for the amount that should have been collected or remitted, plus any applicable interest and penalty.
- C. Notwithstanding any other provision of law, and whether or not the Commission initiates an audit or other tax collection procedure, the Commission may bring a declaratory judgment action against a remote seller or marketplace facilitator believed to meet the criteria to establish that the obligation to remit sales tax is applicable and valid under local, state and federal law. The action shall be brought in the judicial district of the taxing jurisdiction.
- D. The Commission may cause a sales tax lien to be filed and recorded against all real and personal property of a remote seller or marketplace facilitator where the remote seller or marketplace facilitator has:
 - 1. Failed to file sales tax returns for two (2) consecutive filing periods as required by the Code; or
 - 2. Failed within sixty (60) days of the end of the filing period from which taxes were due to either (a) remit all amounts due or (b) to enter into a secured payment agreement as provided in this Code.
 - 3. Prior to filing a sales tax lien, the Commission shall cause a written notice of intent to file to be mailed to the last known address of the delinquent remote seller or marketplace facilitator.
- E. In addition to other remedies discussed in this Code, the Commission may bring a civil action to:
 - 1. Enjoin a violation of this Code. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.
 - 2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due.
 - 3. Foreclose a recorded sales tax lien as provided by law.
- F. All remedies hereunder are cumulative and are in addition to those existing at law or equity.

09.065.220 Penalties for Violations

- A. A buyer, remote seller, or marketplace facilitator who knowingly or negligently submits false information in a document filed with the Commission pursuant to this Code is subject to a penalty of five hundred dollars (\$500).
- B. A remote seller or marketplace facilitator who knowingly or negligently falsifies or conceals information related to its business activities with the Commission or taxing jurisdiction is subject to a penalty of five hundred dollars (\$500).
- C. A person who knowingly or negligently provides false information when applying for a certificate of exemption is subject to a penalty of five hundred dollars (\$500).
- D. Any remote seller or marketplace facilitator who fails to file a return by the due date required under this chapter, regardless of whether any taxes were due for the reporting period for which the return was required, shall be subject to a penalty of twenty-five dollars (\$25) for the first sales tax return not timely filed. The filing of an incomplete return shall be treated as the filing of no return.
- E. A remote seller or marketplace facilitator who fails or refuses to produce requested records or to allow inspection of their books and records shall pay to the Commission a penalty equal to three (3) times any deficiency found or estimated by the Commission with a minimum penalty of five hundred dollars (\$500).
- F. A remote seller or marketplace facilitator who falsifies or misrepresents any record filed with the Commission is guilty of an infraction and subject to a penalty of five hundred dollars (\$500) per record.
- G. Misuse of an exemption card is a violation and subject to a penalty of fifty dollars (\$50) per incident of misuse;
- H. Nothing in this chapter shall be construed as preventing the Commission from filing and maintaining an action at law to recover any taxes, penalties, interest and/or fees due from a remote seller or marketplace facilitator. The Commission may also recover attorney's fees in any action against a delinquent remote seller or marketplace facilitator.

09.065.230 Sellers with a Physical Presence in the Taxing Jurisdiction.

- A. Sellers with a physical presence in a Taxing Jurisdiction and no remote or internet-based sales shall report, remit, and comply with standards, including audit authority, of the Taxing Jurisdiction.
- B. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-based sales where the Point of Delivery is in a different Taxing Jurisdictions shall (i) report and remit the remote or internet sales to the Commission; and ii) report and remit the in-store sales to the Taxing Jurisdiction.
- C. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-based sales where the Point of Delivery is in the same Taxing Jurisdictions shall report and remit those remote sales to the Taxing Jurisdiction.
- D. Sellers and marketplace facilitators that do not have a physical presence in a Taxing Jurisdiction must report and remit all remote sales to the Commission.
- E. For all purchases the tax rate added to the sale price shall be as provided in the Taxing

Jurisdiction's sales tax code, based on point of delivery.

- F. A marketplace facilitator is considered the remote seller for each sale facilitated through its marketplace and shall collect, report, and remit sales tax to the Commission. A marketplace facilitator is not considered to be the remote seller for each sale or rental of lodging facilitated through its marketplace, wherein the seller is considered to have a physical presence in the Taxing Jurisdiction.

09.065.240 Remittance of Tax; Remote Seller Held Harmless.

- A. Any remote seller or marketplace facilitator that collects and remits sales tax to the Commission as provided by law may use an electronic database of state addresses that is certified by the Commission pursuant to subsection (C) of this section to determine the jurisdictions to which tax is owed.
- B. Any remote seller or marketplace facilitator that uses the data contained in an electronic database certified by the Commission pursuant to subsection (C) of this section to determine the jurisdictions to which tax is owed shall be held harmless for any tax, charge, or fee liability to any taxing jurisdiction that otherwise would be due solely as a result of an error or omission in the database.
- C. Any electronic database provider may apply to the Commission to be certified for use by remote sellers or marketplace facilitators pursuant to this section. Such certification shall be valid for three years. In order to be certified, an electronic database provider shall have a database that satisfies the following criteria:
 - 1. The database shall designate each address in the state, including, to the extent practicable, any multiple postal address applicable to one location and the taxing jurisdictions that have the authority to impose a tax on purchases made by purchasers at each address in the state.
 - 2. The information contained in the electronic database shall be updated as necessary and maintained in an accurate condition. In order to keep the database accurate, the database provider shall provide a convenient method for taxing jurisdictions that may be affected by the use of the database to inform the provider of apparent errors in the database. The provider shall have a process in place to promptly correct any errors brought to the provider's attention.

09.065.250 Definitions

Adoption of definitions does not compel an individual municipality to exempt certain defined items. Each municipality should specifically adopt definitions necessary for consistency to implement both brick-and-mortar sales tax code and provisions related to remote sellers or marketplace facilitators. For definitions that have no applicability to brick-and-mortar sales tax code, municipality may choose either to include definitions in the definitional section of general sales tax ordinance or adopt the common definitions by reference.

“Buyer or purchaser” means a person to whom a sale of property or product is made or to whom a service is furnished.

“Commission” means the Alaska Intergovernmental Remote Sales Tax Commission established

by Agreement between local government taxing jurisdictions within Alaska, and delegated tax collection authority.

“Delivered electronically” means delivered to the purchaser by means other than tangible storage media.

“Entity-based exemption” means an exemption based on who purchases the product or who sells the product. An exemption that is available to all individuals shall not be considered an entity-based exemption.

“Goods for resale” means:

- A. the sale of goods by a manufacturer, wholesaler or distributor to a retail vendor; sales to a wholesale or retail dealer who deals in the property sold, for the purpose of resale by the dealer.
- B. Sales of personal property as raw material to a person engaged in manufacturing components for sale, where the property sold is consumed in the manufacturing process of, or becomes an ingredient or component part of, a product manufactured for sale by the manufacturer.
- C. Sale of personal property as construction material to a licensed building contractor where the property sold becomes part of the permanent structure.

“Marketplace facilitator” means a person that contracts with remote sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the remote seller’s property or services through a physical or electronic marketplace operated by the person, and engages:

- (a) Directly or indirectly, through one or more affiliated persons in any of the following:
 - (i) Transmitting or otherwise communicating the offer or acceptance between the buyer and remote seller;
 - (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and remote sellers together;
 - (iii) Providing a virtual currency that buyers are allowed or required to use to purchase products from the remote seller; or
 - (iv) Software development or research and development activities related to any of the activities described in (b) of this subsection (3), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person; and
- (b) In any of the following activities with respect to the seller’s products:
 - (i) Payment processing services;
 - (ii) Fulfillment or storage services;
 - (iii) Listing products for sale;
 - (iv) Setting prices;
 - (v) Branding sales as those of the marketplace facilitator;
 - (vi) Order taking;
 - (vii) Advertising or promotion; or
 - (viii) Providing customer service or accepting or assisting with returns or exchanges.

“Member” means a taxing jurisdiction that is a signatory of the Alaska Remote Sales Tax Intergovernmental Agreement, thereby members of the Commission, and who have adopted the Remote Seller Sales Tax Code.

“Monthly” means occurring once per calendar month.

“Nonprofit organization” means a business that has been granted tax-exempt status by the Internal Revenue Service (IRS); means an association, corporation, or other organization where no part of the net earnings of the organization inures to the benefit of any member, shareholder, or other individual, as certified by registration with the IRS.

“Person” means an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation, or any other legal entity.

“Physical presence” means a seller who establishes any one or more of the following within a local taxing jurisdiction:

1. Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the local taxing jurisdiction;
2. Solicits business or receiving orders through any employee, agent, salesman, or other representative within the boundaries of the local taxing jurisdiction or engages in activities in this state that are significantly associated with the seller’s ability to establish or maintain a market for its products in this state.
3. Provides services or holds inventory within the boundaries of the local taxing jurisdiction;
4. Rents or Leases property located within the boundaries of the local taxing jurisdiction.

A seller that establishes a physical presence within the local taxing jurisdiction in any calendar year will be deemed to have a physical presence within the local taxing jurisdiction for the following calendar year.

“Point of delivery” means the location at which property or a product is delivered or service rendered.

- A. When the product is not received or paid for by the purchaser at a business location of a remote seller in a Taxing Jurisdiction, the sale is considered delivered to the location where receipt by the purchaser (or the purchaser's recipient, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery as supplied by the purchaser (or recipient) and as known to the seller.
- B. When the product is received or paid for by a purchaser who is physically present at a business location of a Remote Seller in a Taxing Jurisdiction the sale is considered to have been made in the Taxing Jurisdiction where the purchaser is present even if delivery of the product takes place in another Taxing Jurisdiction. Such sales are reported and tax remitted directly to the Taxing Jurisdiction not to the Commission.
- C. For products transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery the sale to the billing address of the buyer.

“Product-based exemptions” means an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product.

“Property” and **“product”** means both tangible property, an item that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses; and intangible property, anything that is not physical in nature (i.e.; intellectual property, brand recognition, goodwill, trade, copyright and patents).

“Quarter” means trimonthly periods of a calendar year; January-March, April-June, July-September, and October-December.

“Receive or receipt” means

- A. Taking possession of property;
- B. Making first use of services;
- C. Taking possession or making first use of digital goods, whichever comes first.

The terms “receive” and “receipt” do not include temporary possession by a shipping company on behalf of the purchaser.

“Remote sales” means sales of goods or services by a remote seller or marketplace facilitator.

“Remote seller” means a seller or marketplace facilitator making sales of goods or services delivered within the State of Alaska, without having a physical presence in a taxing jurisdiction, or conducting business between taxing jurisdictions, when sales are made by internet, mail order, phone or other remote means. A marketplace facilitator shall be considered the remote seller for each sale facilitated through its marketplace.

“Resale of services” means sales of intermediate services to a business the charge for which will be passed directly by that business to a specific buyer.

“Sale” or **“retail sale”** means any transfer of property for consideration for any purpose other than for resale.

“Sales or purchase price” means the total amount of consideration, including cash, credit, property, products, and services, for which property, products, or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- A. The seller’s cost of the property or product sold;
- B. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- C. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- D. Delivery charges;
- E. Installation charges; and

F. Credit for any trade-in, as determined by state law.

“**Seller**” means a person making sales of property, products, or services, or a marketplace facilitator facilitating sales on behalf of a seller.

“**Services**” means all services of every manner and description, which are performed or furnished for compensation, and delivered electronically or otherwise outside the taxing jurisdiction (but excluding any that are rendered physically within the taxing jurisdiction, including but not limited to:

- A. Professional services;
- B. Services in which a sale of property or product may be involved, including property or products made to order;
- C. Utilities and utility services not constituting a sale of property or products, including but not limited to sewer, water, solid waste collection or disposal, electrical, telephone services and repair, natural gas, cable or satellite television, and Internet services;
- D. The sale of transportation services;
- E. Services rendered for compensation by any person who furnishes any such services in the course of his trade, business, or occupation, including all services rendered for commission;
- F. Advertising, maintenance, recreation, amusement, and craftsman services.

“**Tax cap**” means a maximum taxable transaction.

“**Taxing jurisdiction**” means a local government in Alaska that has a sales tax and is a member of the Alaska Remote Sellers Sales Tax Commission.

“**Transferred electronically**” means obtained by the purchaser by means other than tangible storage media.

09.065.260 Supplemental Definitions.

The Commission shall promulgate Supplemental Definitions that are incorporated into this Remote Seller Sales Tax Code. Supplemental Definitions are available at www.arsstc.org. Provisions of the Supplemental Definitions that are amended, deleted, or added prior to or after the effective date of the latest amendment to this chapter shall be applicable for purposes of this chapter on the effective date provided for such amendments, deletions, or additions, including retroactive provisions.

CHAPTER 09.07

BED TAX

Section:	09.07.010	DEFINITIONS
	09.07.020	IMPOSITION OF HOTEL/MOTEL ROOM RENTAL TAX
	09.07.030	OPERATOR TO ADD TAX TO RENT
	09.07.040	ANNUAL RETURNS—PENALTIES AND INTEREST FOR DELINQUENCY
	09.07.050	ASSESSMENT LIMITATION PERIODS--RECORD KEEPING
	09.07.060	DELINQUENCY—FAILURE TO SUBMIT RETURN
	09.07.070	SUITS FOR COLLECTION
	09.07.080	PROHIBITED ACTS
	09.07.090	VIOLATIONS A MISDEMEANOR
	09.07.100	INSPECTION OF BUSINESS LICENSE
	09.07.110	SALE OF BUSINESS—FINAL TAX RETURN-LIABILITY OF PURCHASE
	09.07.120	LIEN FOR TAX—INTEREST AND PENALTY DUE

09.07.010 Definitions. A. For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

1. “guest” means an individual, corporation, partnership or association paying monetary or other consideration for the use of a sleeping room or rooms in a hotel/motel;
2. “hotel/motel” means a structure, or portions of a structure occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, motel, inn or similar structure;
3. “mayor” means the city mayor or his authorized designee;
4. “operator” means a person, firm, corporation or other legal entity who furnishes, offers for rent or otherwise makes available in the city rooms in a hotel/motel for monetary or other consideration, whether acting directly or through an agent or employee.
5. “person” means an individual natural person;
6. “rent” or “rents” means the amount paid or promised, in terms of money, as consideration for use by a transient of a room or rooms in a hotel, motel, or other place of public accommodation;
7. “transient” is a person who occupies or rents a suite, room or rooms in a hotel/motel for fewer than (30) consecutive days for the purposes of habitation.

09.07.020 Imposition of Hotel/Motel Room Rental Tax. A. The city hereby levies a tax on hotel/motel room rentals for transients equal to six (6) percent of the room rent. The tax

shall be applicable to all room rentals for transients unless the rental is specifically exempted from taxation by constitution or other valid law.

B. Each guest is responsible for the room rental tax imposed by this chapter and the tax shall be due and payable at the time the rent is paid. The tax shall apply to all rentals where the guest or the transient indicates that the room or rooms will be occupied by the transient for less than thirty (30) days. Room rentals for transients which continue for thirty (30) or more consecutive days shall not be taxable for rentals on and after the thirtieth (30th) consecutive day. Rentals which are less than thirty (30) consecutive days shall be subject to the tax even if the room or rooms were originally taken with the intent to use of occupy for thirty (30) or more consecutive days. Any unpaid tax shall be due and payable when the transient ceases to occupy or use space in the hotel/motel.

C. Every hotel/motel operator renting rooms subject to taxation under this chapter shall collect the taxes imposed by this chapter from the transient guest at the time of collection of the charge for the room and shall transmit the same, quarterly, to the city. The tax imposed shall be shown on the billing to the guest as a separate and distinct item.

09.07.030 Operator to Add Tax to Rent. Every operator shall add the amount of the tax levied by this chapter to the rent and the tax shall be stated separately on any sales receipts or slips, rent receipts, charge tickets, invoices, statements of account or other tangible evidence of the rental.

09.07.040 Annual Returns--Annual Returns--Penalties and Interest for Delinquency.

A. Every operator shall on or before the last day of the month make out a return for the preceding calendar year, upon forms to be furnished by the city, setting forth the total amount for such preceding year of all hotel/motel room rentals, regardless of whether such transactions are taxable or nontaxable, the amount of tax due and such other information as the city may require and sign and transmit the same to the city clerk.

B. The tax levied under this chapter, whether or not collected from the transient, except for credit transactions covered in 09.06.070 subsection C., shall be paid by the operator to the city annually at the time of transmitting a return and if not so paid, such tax shall forthwith become delinquent. A penalty of ten percent (10%) of such tax shall be added to the tax for the first month or fraction thereof of delinquency and an additional ten percent (10%) for each additional month or fraction thereof of delinquency until a total penalty of thirty percent (30%) has accrued. Such penalty shall be assessed and shall be collected in the same manner as the tax is collected. In addition to the aforesaid penalty, interest at the rate of twelve percent (12%) per year on the delinquent tax from the date of delinquency until paid shall accrue and be collected in the same manner the delinquent tax is collected.

09.07.050 Assessment Limitation Periods—Record Keeping.

A. The amount of any tax imposed under this chapter may be determined and assessed for a period of three (3) years after the tax became due and payable and the beginning of the three-year (3-year) period shall be the day of the month corresponding to the expiration date for submission of any return period prescribed by this chapter. No suit or other proceeding for the collection of such tax shall be begun after the expiration of such period.

B. In order to facilitate the administration and enforcement of the provisions of this chapter, each operator shall maintain and keep for a period of three (3) years all of the annual hotel/motel

tax reports, forms and other records prescribed by this chapter or as prescribed hereafter by the mayor or his designee. The city clerk is specifically authorized and empowered to examine and inspect at all reasonable hours the books, records and other documents of any operator in order to carry out the provisions of this chapter.

C. Whenever any operator fails to submit the required annual return after notice given as provided in subsection “A” of this section, the mayor or city clerk shall require such seller to submit returns on a monthly basis.

09.07.060 Delinquency—Failure to Submit Return.

A. Whenever any operator has become delinquent in the submission of the required quarterly return for a period of thirty (30) days, the mayor or city clerk shall make written demand by certified mail, return receipt requested, upon such delinquent operator for submission of the required sales tax return within ten (10) days and in the event of noncompliance with such demand the city clerk shall forthwith file a complaint against the delinquent operator in the Court of Sitka for violation of this chapter; and concurrently, the city clerk shall make a sales tax assessment against the delinquent operator, the assessment to be base on an estimate of the gross transient rental revenue received by the operator during the annual period in question and such assessment shall be referred to the city attorney for appropriate action to recover such tax.

B. Whenever any operator fails to submit the required annual return after notice given as provided in subsection A. of this section, or such return is reasonably believed by the city clerk to contain incorrect reporting, the city clerk shall notify such operator in writing by certified mail, return receipt requested, that a hearing will be held upon the matter at a specified place and time, which shall not be less than fifteen (15) days after the date of such notice, at which time and place the operator shall present himself and make available to the city clerk for inspection the operator’s books, papers, records and other memoranda pertaining to gross transient rental revenue required to make a determination of tax liability, if any, and in the event of noncompliance by the operator, the mayor shall forthwith take such legal action (civil or criminal, or both) as provided for in this chapter or the civil or criminal statutes of the State of Alaska, or both.

C. Whenever any operator fails to submit the required annual return after notice given as provided in subsection A. of this section, the mayor or city clerk shall require such seller to submit returns on a monthly basis.

09.07.070 Suits for Collection.

Taxes due but not paid or taxes collected but not transmitted may be recovered in an action at law against the transient guest or the hotel/motel operator. Tax returns shall be prima facie proof of taxes collected but not transmitted.

09.07.080 Prohibited Acts.

A. No person may fail or refuse to pay the tax imposed by this chapter when it is due and payable to an operator authorized to collect the tax.

B. No operator may fail of refuse to make the annual returns required by this chapter.

C. No operator may fail or refuse to pay to the city in the manner provided herein the tax imposed under this chapter.

D. An operator may not advertise or state to the public or to any guest or renter, directly or indirectly, that the tax or any part of it will be assumed or absorbed by the operator or the hotel/motel, or that the tax will not be added to the rental, or that it will be refunded, nor may an

operator absorb or fail to add the tax or any part of it or refund any tax, or fail to separately state the tax to the renter or guest.

09.07.090 Penalties. Violation of any provision of this chapter is a civil violation for which a notice may be issued under the provisions set forth in Chapter 01.05 and subject to a civil penalty in the amount set forth in Section 01.05.030 not to exceed five hundred dollars (\$500).

09.07.100 Inspection of Business License. Each operator who exercises the taxable privilege of engaging in the hotel or motel business within the city consents to the inspection of his Alaska State Business License in order to facilitate the accomplishment of the provisions and objectives of this chapter.

09.07.110 Sale of Business—Final Tax Return—Liability of Purchaser. If any operator sells out his hotel or motel business to another operator, he shall make a final tax return within fifteen (15) days after the date of selling the business and his purchaser, successor, successors or assigns shall withhold a sufficient portion of the purchase money to safely cover the amount of such taxes, penalties and interest as may be due and unpaid to the city, showing that all tax obligations imposed by this chapter have been paid; and further provided, if any purchaser of a business fails to withhold from the purchase, money as provided in this section, he shall be personally liable for the payment of taxes, penalties and interest accruing and unpaid to the city on account of the operation of the business by any former owner, owners or assigns.

09.07.120 Lien for Tax—Interest and Penalty Due. The tax, interest and penalty imposed under this chapter shall constitute a lien in favor of the city upon the assets or property of every person engaging in the hotel or motel business within the city. The lien arises upon delinquency and continues until liability for the amount is satisfied or the property of the delinquent person is sold at a hotel/motel tax lien foreclosure sale. The lien is not valid as against a mortgagee, pledge, purchaser, or judgment creditor until notice of the lien is filed in the office of the recorder for the Sitka recording district in the manner provided for federal tax liens in AS 43.10.090 through 43.10.150. After such filing it shall be superior to all other liens except those for property taxes and special assessments.

CHAPTER 09.08

RENTAL OF CITY OWNED EQUIPMENT

Section:	09.08.010	AUTHORIZATION\
	09.08.020	FEES
	09.08.030	AVAILABILITY
	09.08.040	OPERATION BY RENTER
	09.08.050	PENALTIES

09.08.010 Authorization. There is authorized hereby the rental of city equipment to individuals, firms, partnerships and corporations, except that this section does not apply to equipment of the Fire Department.

09.08.020 Fees. A. The City Council shall set rental fees, at least every two (2) years, and shall approve the resulting Schedule of Rental Fees and Rates by Resolution. The Schedule of Rental Fees and Rates shall become a part of the Tenakee Springs Regulations, Policies and Fees in Appendix I of this document.

B. A minimum fee of one (1) hour shall be collected in all cases. Rental use beyond one (1) hour shall be computed to the nearest quarter hour.

C. Deposits shall be in the amount of the rental or use rate.

09.08.030 Availability. A. Rental equipment shall be available on a first-come first-served basis. Requests shall be made to and approved by the Director of Public Works.

B. The Director of Public Works shall approve requests only when such rental use will not interfere with scheduled work of the equipment and operator by the Department of Public Works.

09.08.040 Operation by Renter. A. The Director of Public Works may authorize the operation of equipment by renter, without a city operator, if the renter:

1. assumes all liability for self and other, and holds harmless the City of Tenakee Springs for damage to public and private property and injury to any person or persons through operation of city equipment. A written statement to this effect will be provided to the City of Tenakee Springs in all cases before the equipment is rented without a city provided operator; and
2. the renter will assume all liability for the repair of rental equipment which may be damaged while said equipment is in the charge of said renter;
 - a.) in such event, the City of Tenakee Springs shall determine the means and manner of repair and cause to be collected from the means and manner of repair and cause to be collected from the renter all costs associated thereto.

09.08.050 Penalties. Violation of any provision of this chapter is a civil violation for which a notice may be issued under the provisions set forth in Chapter 01.05 and subject to a civil penalty in the amount set forth in Section 01.05.030 not to exceed five hundred dollars (\$500).

CHAPTER 09.09

RESERVE FUND ACCOUNT

Sections:	09.09.010	ACCOUNT ESTABLISHMENT
	09.09.020	PURPOSE
	09.09.030	MANAGEMENT OF ACCOUNT

09.09.010 Account Establishment. An interest bearing account shall be established with the title “City of Tenakee Springs Reserve Account.”

09.09.020 Purpose. The interest generating account shall be for revenues derived from municipal land sales, leases, and other revenue sources.

09.09.030 Management of Account. A. Revenue shall only be transferred out of the account to the General Government by ordinance, except for the following two items:

a.) The City of Tenakee Springs may capitalize the Fuel Department by ordinance, except for the following two items.

b.) The City of Tenakee Springs may transfer up to \$15,000 (fifteen thousand) dollars annually to the General Government.

CHAPTER 09.10

INVESTMENT ACCOUNT

Sections: 09.10.010 **ALASKA MUNICIPAL LEAGUE
INVESTMENT POOL**

09.10.010 Alaska Municipal League Investment Pool.

A. The Alaska Municipal League Investment Pool, Inc. being an established investment pool for public entities according to the provisions of Alaska Statutes 37.23.010 – 37.23.900, is hereby authorized as an approved investment for funds of the city and city departments and entities when confirming with all provisions in this section.

B. Membership in the Alaska Municipal League Investment Pool, Inc. shall be by a Common Investment Agreement executed as authorized and approved in a resolution of the city council.

C. Investments in the Alaska Municipal League Investments Pool, Inc. are to provide a higher rate of return, while retaining maximum liquidity. They shall be approved by resolutions of the city council. Such resolutions shall state the department and accounts for which the investment is established, and shall authorize execution of a Certificate of Authority that requires:

1. signature of two (2) council members to transfer funds, and
2. such transfer to be at the request of the Electric Manager or Electric Bookkeeper for the Electric Utility Accounts, Fuel Manager or Fuel Bookkeeper and the Mayor, City Clerk, or Finance Officer for the other City Accounts.

CHAPTER 09.11

ENTERPRISE FUNDS

Sections:	09.11.010	ENTERPRISE FUND DEFINED
	09.11.020	GENERAL PROVISIONS
	09.11.030	USE OF ENTERPRISE FUND REVENUES

09.11.010 Enterprise Fund Defined. A. Enterprise Funds are funds established for the purpose of providing services and commodities for the community that would otherwise not be available within the municipality.

B. To account for the following operations:

a.) That are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through users charges.

b.) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

09.11.020 General Provisions. A. The city council shall determine that there is a public need for any enterprise and shall provide by code ordinance for the establishment, management and operation of each enterprise provided to the community.

B. Fiscal operation of each fund shall be in accordance the fiscal, budget and purchasing provisions within Tenakee Springs Municipal Code Title 09 Revenue and Finance.

C. An Enterprise Fund shall be separate from the General Government Fund, fiscally self-contained and not operated at a deficit.

09.11.030 Use of Enterprise Fund Revenues. A. Pricing for fees, sales and revenues of an Enterprise Fund shall be sufficient to cover the operation, maintenance and capital expenditure requirements of the fund.

B. There shall be an annual administrative return to the General Fund of at least 5% but not more than 13% of the revenues of each Enterprise Fund as determined in the Annual Municipal Budget adopted by the city council. For the Electric Enterprise Fund the revenues shall be defined as the total revenue from the sale of electricity, less the cost of generator fuel. For the Fuel Enterprise Fund the revenues shall be defined as the net revenue from the sale of all petroleum products. For the Harbor Enterprise Fund the revenues shall be defined as the permanent moorage fees collected plus the transient fees minus commission collected.

C. Returns to the General Fund in excess of 7% of annual revenues of the Enterprise Fund shall be designated for a specific purpose for the public good as determined by a non-code ordinance adopted by the city council after a minimum of two (2) public hearings.