



SALES TAX APPEAL HEARING AGENDA

May 11, 2026 at 1:00 PM

Assembly Chambers & Zoom Webinar

155 Heritage Way or Zoom Webinar: <https://juneau.zoom.us/j/84319877225>

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA**
- D. CONSIDERATION OF APPEAL TO THE BOARD**
 - 1. Sales Tax Appeal from AEL&P for review by a panel of 3 Hearing Officers**
- E. EXECUTIVE SESSION**
- F. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's Office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's Office telephone number is (907) 586-5278, e-mail: city.clerk@juneau.gov.

CITY AND BOROUGH OF JUNEAU
RULES OF PROCEDURE FOR TITLE 19, 53, AND 69 APPEALS BOARD

1. Intent and Construction

These Rules of Procedure are established pursuant to Ordinance 2025-17. A list of hearing officers will be established by the Manager's Office to handle appeals made under Title 19, Title 53, or Title 69. A hearing before the City and Borough of Juneau Hearing Officers Appeal Board is intended to be an informal, fair proceeding for review of a final agency decision not addressed by another hearing procedure. These rules of procedure are intended to ensure the expeditious resolution of appeals and protests and shall be interpreted in a manner consistent with that intent.

2. Parties

The parties to the hearing may include (a) protestor/appellant; (b) department representative; (c) any bidder or process participant; and (d) an intervener.

3. Rules of Evidence

Any relevant document, information, or testimony which a responsible person would rely on in the conduct of serious affairs may be considered, regardless of the existence of any common law, statutory, or court rule that might make such evidence inadmissible in a civil or criminal action. This shall include any documents or information relied upon by the agency decision maker. The Hearing Officers will rule on any objections to the evidence presented.

4. Attendance

A party or the party's designated representative may attend the hearing. A party who has received timely notice and fails to attend the hearing, without good cause, waives the right to participate in the hearing.

5. Burden of Proof

The protestor/appellant bears the burden of proof of establishing by a preponderance of the evidence that the decision should be reversed or modified.

6. Prehearing Procedures

The Hearing Officers may hold a prehearing conference to settle, simplify, or identify the issues in a proceeding and to set timeframes as necessary if briefing is requested by the parties, or to consider other matters that may aid in the expeditious disposition of the proceeding.

7. Conduct of Hearing

- a. The Hearing Officers shall preside over the hearing, maintain decorum, and assure that all parties have a reasonable opportunity to present their cases.
- b. The hearing shall be recorded. A party may request a copy of the recording or a transcript of the hearing from the Clerk's Office. The requesting party shall bear the cost of copying or transcription.
- c. The Hearing Officers may ask the parties questions concerning any matter related to the hearing at any time. The Hearing Officers may recess and reconvene the hearing for the convenience of the participants and the Hearing Officers.

- d. Unless otherwise determined by the Hearing Officers, the hearing shall proceed as follows:
 - (1) Each party may make a short opening statement summarizing their position and the evidence they intend to introduce (5 minutes);
 - (2) The party with the burden of proof shall present their evidence through testimony and introduction of exhibits (20 minutes);
 - (3) The other parties, starting with the CBJ staff, shall then present their evidence through testimony and introduction of exhibits (20 minutes each);
 - (4) The Hearing Officers may allow the party with the burden of proof to present additional rebuttal evidence and testimony (up to 10 minutes);
 - (5) Each party may make a short closing argument summarizing their case and stating what action, if any, they believe the Hearing Officers should take (up to 5 minutes each); and
 - (6) The Hearing Officers will then ask any final questions.
- e. After the parties have presented their evidence and argument, the Hearing Officers shall deliberate in executive session or may recess and reconvene its deliberations as appropriate.

8. Best Interest Finding

If at any point the Manager or Manager's Designee makes a Best Interest Finding, the Hearing Officers' role is deemed moot and the appeal will be closed. Parties shall be notified and will receive a copy of the finding within 24 hours of issuance. The Best Interest Finding must include findings of fact and a determination on each issue presented based on the record available. The Best Interest Finding shall be submitted to the Assembly for review at the next regular Assembly meeting. The parties may include an objection/response in writing to the Best Interest Finding for consideration by the Assembly. The objection/response must be provided no later than 3 days after receiving notice of the Best Interest Finding.

9. Hearing Officers' Recommendation

The Hearing Officers shall issue a written recommendation containing findings of fact and conclusions of law on each of the issues presented. A recommendation may affirm, modify, or set aside an agency decision in whole or in part. The decision shall be submitted to the Manager no later than 10 working days after the close of the hearing.

10. Manager Decision

The Manager shall review the recommended decision of the Hearing Officers. Within 10 working days the Manager shall (a) accept the recommendation, (b) reject the recommendation and issue an independent decision, or (c) remand to the Hearing Officers for additional findings. The Manager's decision shall be in writing and set forth the reasons for the decision with specificity.

11. Assembly Review

- a. Under CBJC 53.50.062(n), if the bid amount contested is over \$750,000, the hearing officers' decision and recommendation will go directly to the Assembly for review.

- b. Manager's Decision on the Hearing Officers Recommendation. The Decision may be appealed to the Assembly as designated in Chapter 01.50.
- c. Best Interest Finding. If a Best Interest finding has been made, at its next regular meeting the Assembly shall review the Best Interest Finding and any objection/response received from the parties. The Assembly may affirm or reject the Best Interest Finding. If affirmed, the decision of the Assembly is final. If rejected the case will go back to the Hearing Officers at the stage in the process when the Finding was made. The Assembly may provide comments for consideration to the Hearing Officers.

12. Judicial Review.

A final decision by the Assembly may be appealed to the superior court in accordance with the Alaska Rules of Appellate Procedure.

Presented by: The Manager
Presented: 06/09/2025
Drafted by: Law Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 4019

A Resolution Setting Forth the Rules of Procedure for the Title 19, Title 53, and Title 69 Appeal Board.

WHEREAS, the Assembly has created an appeal board of three hearing officers to review decisions made under Title 19, Title 53, and Title 69; and

WHEREAS, this appeal board replaces the Bidding Review Board, Sales Tax Board of Appeals, Building Code Advisory Committee, and the Building Code Board of Appeals; and

WHEREAS, this Resolution codifies the Rules of Procedure for the new appeal board.

BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. The Assembly hereby approves the Rules of Procedure for the Title 19, Title 53, and Title 69 Appeal Board, attached as Exhibit A.

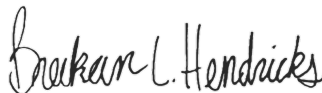
Section 2. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 28 day of July, 2025.



Beth A. Weldon, Mayor

Attest:



Breckan L. Hendricks, Municipal Clerk

Presented by: The Manager
Presented: 04/28/2025
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2025-17(b)

An Ordinance Amending the City and Borough Code Relating to Quasi-Judicial and Appeal Review Boards.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Chapter. Chapter 01.50, Administrative appeal procedures, is amended by adding the following section:

01.50.270 Hearing officers.

In the event of an appeal, a group of three hearing officers will be randomly selected to hear the appeal. Should any one of the persons selected not be available, the clerks will randomly select the next name, until a panel of three hearing officers are available.

(a) If a hearing officer is needed to review decisions made under Title 19, Title 53, or Title 69, a list of available hearing officers will be established by the manager. Members of the Bidding Review Board, Sales Tax Board of Appeals, Building Code Advisory Committee, and Building Code Board of Appeals will be offered a position as a hearing officer as part of the repeal of these boards. To the extent feasible, hearing officers will have experience in the legal, financial, land use, fire, or building code fields. Hearing officers will be appointed for a period of three years. If no hearing officer is available, the manager may seek an outside appointment.

(b) Rules of Procedure will be established by resolution and reviewed and approved by the Assembly every five years.

(c) The hearing officers may:

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- 2 (1) Hold prehearing conferences to settle, simplify, or identify the issues in a
- 3 proceeding, or to consider other matters that may aid in the expeditious
- 4 disposition of the proceeding;
- 5 (2) Require parties to state their positions concerning the various issues in the
- 6 proceeding;
- 7 (3) Require parties to produce for examination those relevant witnesses and
- 8 documents under their control;
- 9 (4) Rule on motions and other procedural matters;
- 10 (5) Regulate the course of the hearing and conduct of the participants;
- 11 (6) Establish time limits for submission of motions or memoranda;
- 12 (7) Impose appropriate sanctions against a person who fails to obey an order of the
- 13 manager, including:
- 14 (A) Prohibiting the person from asserting or opposing designated claims or
- 15 defenses or introducing designated matters into evidence;
- 16 (B) Excluding all testimony of an unresponsive or evasive witness; and
- 17 (C) Excluding a person from further participation in the hearing.
- 18 (8) Take official notice of a material fact not appearing in evidence, if the fact is
- 19 among the traditional matters subject to judicial notice;
- 20 (9) Administer oaths or affirmations.
- 21 (d) A transcribed record of the hearing shall be made available at cost to a party that
- 22 requests it.
- 23 (e) The hearing officers shall issue a written recommendation containing findings of fact
- 24 and conclusions of law on each of the issues presented. A recommendation may affirm,
- 25 modify, or set aside an agency decision in whole or in part. The decision shall be
- submitted to the manager no later than 10 working days after the close of the hearing.
- (f) The manager shall review the recommended decision of the hearing officers. Within 10
- working days, the manager shall (a) accept the recommendation, (b) reject the
- recommendation and issue an independent decision, or (c) remand to the hearing
- officers for additional findings. The manager's decision shall be in writing and set forth
- the reasons for the decision with specificity.
- (g) A final decision may be appealed to the Assembly.

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2 (h) If, provided by code, a manager or manager’s designee makes a Best Interest Finding,
3 the hearing officers’ role is deemed moot and the appeal will be closed. Parties shall be
4 notified and will receive a copy of the finding within 24 hours of issuance. The Best
5 Interest Finding must include findings of fact and a determination on each issue
6 presented based on the record available. The Best Interest Finding shall be submitted to
7 the Assembly for review at the next regular Assembly meeting. The parties may include
8 an objection/response in writing to the Best Interest Finding for consideration by the
9 Assembly. The objection/response must be provided no later than 10 working days after
10 receiving notice of the Best Interest Finding. The Assembly may affirm or reject the
11 Best Interest Finding. If affirmed, the decision of the Assembly is final. If rejected the
12 case will go back to the Hearing Officers at the stage in the process when the Finding
13 was made. The Assembly may provide comments for consideration to the Hearing
14 Officers.

15 **Section 3. Amendment of Chapter.** Chapter 19.02, Board of appeals, is amended
16 as follows:

17 **19.02.010.1 ~~Created; membership Reserved.~~**

18 ~~In order to determine the appropriateness of orders, decisions and determinations made by~~
19 ~~the building official or fire chief concerning the application and interpretation of the codes,~~
20 ~~there is created a board of appeals consisting of seven members. Members shall be appointed~~
21 ~~by the assembly on the basis of their general building construction expertise. General building~~
22 ~~construction expertise may include, but is not limited to, knowledge, experience, or training~~
23 ~~relating to building construction, plumbing, mechanical, electrical, property maintenance, fire~~
24 ~~safety or other similar fields. Members of the board of appeals shall be appointed by the~~
25 ~~assembly for three year staggered terms. The board of appeals shall elect from its membership~~
~~a chair and a vice chair and shall adopt reasonable rules for the conduct of its proceedings. The~~
~~City and Borough shall provide secretarial and other staff support required by the board of~~
~~appeals.~~

(Serial No. 2009-16(b), § 2, 9-21-2009; Ord. No. 2012-34, § 2, 8-27-2012)

19.02.010.2 Appeals.

Appeals shall be conducted in accordance with the adopted rules of procedure and must be filed within 20 days after the day the decision, notice, or order was served, except that if the

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2 order appealed from relates to a building or structure which has been determined by the
3 building official to be in such condition as to make it immediately dangerous to life, limb,
4 property or safety of the occupants, the public, or adjacent property and is ordered vacated and
5 is posted in accordance with the applicable section of the International Property Maintenance
6 Code as adopted, such appeal must be filed within ten days from the date of the service of
7 notice and order of the building official. Appeals will be heard by a panel of hearing officers
8 under CBJC 01.50.270.

(Serial No. 2009-16(b), § 2, 9-21-2009; Ord. No. 2012-34, § 2, 8-27-2012)

9 **19.02.010.3 Limitations of authority.**

10 An application for appeal shall be based on a claim that the true intent of the building codes
11 or the rules legally adopted thereunder have been incorrectly interpreted, the provisions of
12 these codes do not fully apply, or an equally good or better form of construction is proposed. The
13 hearing officers board of appeals shall not be empowered to waive requirements of the building
14 codes.

15 All variance requests to IRC ~~323.3.1 through 323.3.5~~ 306 and IBC 1612 shall be heard by
16 the Planning Commission, under procedures established per 49.70.410.

(Serial No. 2009-16(b), § 2, 9-21-2009; Serial No. 2021-19, § 11, 8-2-2021, eff. 9-1-2021)

17 **Section 4. Amendment of Section.** CBJC 19.01.119, Adoption of new
18 international, national and uniform codes; procedures, is amended as follows:

19 **19.01.119 Adoption of new international, national and uniform codes; procedures.**

20 Upon the publication of new or updated versions of the international, national and uniform
21 codes adopted under this title, ~~the building code advisory committee, with the assistance of the~~
22 building official and the fire chief, shall review the new codes and proposed changes. It is the
23 policy of the assembly to adopt international, national and uniform codes under this title with a
24 minimum of changes. Changes proposed should be justified primarily on the basis of conditions
25 in the City and Borough that require additional consideration. ~~Prior to proposing adoption of~~
~~new codes and changes thereto, the building code advisory committee, with the assistance of~~
~~the building official and the fire chief, shall conduct a public hearing on the proposed code and~~
~~changes. After the hearing, the~~ The manager shall present an ordinance for the adoption of the
new code and changes recommended by ~~the building code advisory committee. The building~~

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2 ~~official shall include with the ordinance a synopsis of the comments presented at the public~~
3 ~~hearing.~~

4 (Serial No. 2009-16(b), § 2, 9-21-2009)

5 **Section 5. Repeal of Section.** CBJC 53.50.061, Bidding review board, is repealed
6 in its entirety.

7 **53.50.061 Bidding review board Reserved.**

8 ~~(a) — There is established a bidding review board. The bidding review board shall consist of~~
9 ~~five persons appointed by the assembly. To the extent possible, one of the members shall~~
10 ~~be an attorney licensed to practice law in the state. The members of the bidding review~~
11 ~~board shall serve three year terms. The bidding review board shall adopt written rules~~
12 ~~of procedure for the purpose of ensuring the expeditious resolution of protests. No~~
13 ~~member of the bidding review board who has served for three consecutive terms or nine~~
14 ~~years shall again be eligible for appointment until one full year has intervened,~~
15 ~~provided, however, that this restriction shall not apply:~~

16 ~~(1) — If there are no other qualified applicants at the time reappointment is considered~~
17 ~~by the assembly human resources committee, or~~

18 ~~(2) — To qualified board members serving in board seats for which a specific~~
19 ~~occupation or expertise is set forth by ordinance.~~

20 ~~(b) — The bidding review board shall hear protests as provided in this chapter and may~~
21 ~~perform such other related duties as the manager or assembly may, from time to time,~~
22 ~~request.~~

23 ~~(Serial No. 93-11am, § 11, 1993; Serial No. 99-03, § 3, 1999; Serial No. 2004-08, § 7, 3-22-2004)~~

24 **Section 6. Amendment of Section.** CBJC 53.50.062, Protests, is amended as
25 follows:

53.50.062 Protests.

(a) A party may protest award to any other party of a competitive sealed bid or competitive
sealed proposal, but such protest shall be heard only if protests have also been filed
against the award recommended by the purchasing officer and against any other bid or
proposal having a higher ranking than that of the party filing the protest.

(b) A party shall provide written notice of intent to protest. Notice of intent to protest shall
be delivered to the purchasing officer by 4:30 p.m. Alaska time the working day

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2 following posting by the purchasing officer of a notice of apparent low bidder or
3 successful proposer. Late notices of intent to protest shall not be considered. The notice
4 of intent to protest shall include the name and address of the protestor and a brief
5 description of the grounds for the protest.

- 6 (c) A written protest shall be filed with the purchasing officer within five working days
7 after posting of notice of apparent low bidder or successful proposer.
- 8 (d) A written protest shall, at a minimum, contain the following:
- 9 (1) The name, address, and telephone number of the interested party filing the
10 protest;
 - 11 (2) The signature of the interested party or the interested party's representative;
 - 12 (3) Identification of the proposed award at issue;
 - 13 (4) A statement of the legal or factual grounds for the protest;
 - 14 (5) Copies of all relevant documents; and
 - 15 (6) The fee required by section 53.50.080.
- 16 (e) The purchasing officer shall reject an untimely or incomplete protest.
- 17 (f) If a timely and complete protest is filed, the award of the contract shall be stayed until
18 the protest is resolved, unless the manager determines in writing that award of the
19 contract pending resolution of the protest is in the best interests of the City and
20 Borough.
- 21 (g) The purchasing officer shall issue a written response to the protestor within ten working
22 days of the date the protest is filed. If multiple protests have been filed, they may be
23 consolidated for purposes of the response. Copies of the response shall be provided to
24 any other protestor requesting one. The response may include an amendment of all or
25 any part of the recommended award. The manager may, upon written request of the
purchasing officer, for good cause shown, extend the date for the purchasing officer's
response for such additional period as may be necessary.
- (h) A protestor aggrieved by the purchasing officer's response pursuant to subsection (g) of
this section may request review by a hearing officer ~~the bidding review board~~.
- (i) The protestor may seek review of the purchasing officer's response by providing written
notice of intent to request review. The protestor shall notify the purchasing officer of the
intent to request review by 4:30 p.m. Alaska time the working day following issuance of

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2 the purchasing officer's response. Late notices shall not be considered. ~~A written request~~
3 ~~for review shall be filed within five working days after the response is issued by the~~
4 ~~purchasing officer. The notice of intent to request review and the written request for~~
5 ~~review shall be in the same form as provided in subsections (b), (c), and (d) of this~~
6 ~~section.~~

7 (j) A written request for review shall be filed within five working days after the response is
8 issued by the purchasing officer. The notice of intent to request review and the written
9 request for review shall be in the same form as provided in subsections (b), (c), and (d) of
10 this section.

11 ~~(k)(j)~~ Upon receipt of a timely and complete request for review of the purchasing officer's
12 response, the matter shall be forwarded to the hearing officers under CBJC 01.50.270
13 ~~bidding review board~~ and a hearing date shall be established. Once the hearing date has
14 been established, all bidders or proposers shall be notified of the hearing in writing.

15 ~~(l)(k)~~ The hearing officers ~~bidding review board~~ shall conduct a hearing ~~and issue a~~
16 ~~recommendation~~ within ~~seven calendar~~ ten working days of the date the referral is
17 made ~~to the board~~. The hearing officers ~~bidding review board~~ may, by written notice ~~to~~
18 ~~all bidders or proposers~~, extend this ~~seven-day~~ period to a maximum of 30 days. The
19 hearing officers shall issue a recommendation no later than ten working days after
20 closing the hearing. Hearings shall be conducted informally, with due regard for the
21 rights of the parties involved. Hearings shall be recorded.

22 ~~(m)(l)~~ The hearing officers' ~~bidding review board's~~ recommendation shall be based on the
23 provisions of this Code interpreted in light of applicable state case law and generally
24 accepted principles of government purchasing as set forth in standard treatises,
25 decisions of the United States Comptroller General, and similar authorities. The
recommendation shall contain findings of fact and conclusions of law.

~~(n)(m)~~ The hearing officers' recommendation:

(1) May include the following:

- (A) A recommendation that a designated bid in a competitive sealed bid or proposal process be accepted as the lowest qualified bid or proposal; or
- (B) A recommendation that one or more bids or proposals be considered or rejected or that the procurement process at issue be canceled;

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- (2) Shall not, except to the extent necessary to correct a failure to follow the procedures required by this chapter, include a recommendation for:
 - (A) An amendment of the specifications for a bid or request for proposals;
 - (B) A change in the criteria for selection of a proposal; or
 - (C) An amendment, reordering, or reassessment of any qualitative judgment in the rating of a proposal;
- (3) Shall not include a recommendation for:
 - (A) Selection or rejection of any additive or deductive alternate; or
 - (B) The payment of money, including attorney's fees, by the City and Borough or any party, provided that the recommendation may recommend a refund of protest fees or payment of bid preparation costs by the City and Borough to one or more bidders or proposers;
- (4) Shall be forwarded to the manager, ~~or assembly~~ If the bid amount is over \$750,000.00 as appropriate, for consideration in the award of the contract, the award shall not be made until after Assembly approval.

~~(o)(m)~~ The protest procedures established by this section, may be adapted for a procurement as necessary to maintain eligibility for state or federal funding for that procurement, provided that no such adaptation may authorize the board to grant a form of relief prohibited by subsection (m)(3) of this section.

(Serial No. 93-11am, § 12, 1993; Serial No. 95-20, § 2, 1995; Serial No. 96-31, § 5, 1996; Serial No. 97-11, § 2, 1997; Serial No. 99-03, § 4, 1999; Serial No. 2001-38, § 2, 7-2-2001; Serial No. 2019-43, § 2, 11-25-2019, eff. 12-25-2019)

Section 7. Amendment of Section. CBJC 69.05.104, Protest of tax, is amended as follows:

69.05.104 Protest of tax.

(a) A buyer who protests the payment of the tax levied under this chapter shall pay the tax and shall provide the seller, marketplace facilitator collecting and remitting sales tax on behalf of the seller, ~~or any transportation network company collecting the sales tax on behalf of a transportation network company driver,~~ and the sales tax administrator with a written statement of protest within five 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,

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2 the buyer's and seller's name, mailing address, telephone number, and the basis for the
3 protest.

4 (b) If the seller or marketplace facilitator collecting and remitting sales tax on behalf of the
5 seller ~~a transportation network company that has collected or remitted sales tax on~~
6 ~~behalf of a transportation network company driver~~ protests liability for sales tax,
7 penalties, or interest, the seller or marketplace facilitator ~~transportation network~~
8 ~~company~~ shall pay the tax, penalties, and interest under a written protest filed before or
9 with the payment and setting forth the basis for the protest. No appeal under CBJC
10 01.50.270 ~~from the sales tax board of appeals~~ nor any action for a refund may be filed or
11 maintained nor may a defense to nonpayment be maintained in a civil action unless the
12 amount in dispute has been paid under protest as provided in this subsection. A protest
13 accompanying a payment shall be deemed waived unless the protestor files an appeal
14 under this chapter pursuant to and within 90 days of the protest.

15 (c) An appeal under CBJC 01.50.270 ~~from the sales tax board of appeals~~ or an action for a
16 refund may be filed, maintained, or both without the payment under protest otherwise
17 required by subsection (b) of this section:

18 (1) Upon a finding by the director of finance that:

19 (A) The seller or marketplace facilitator collecting and remitting sales tax on
20 behalf of the seller ~~the transportation network company on behalf of the~~
21 ~~transportation network company driver~~ has registered for the sales tax
22 and filed returns according to the schedule specified in this chapter;

23 (B) The contested liability arises from an audit finding;

24 (C) The contested liability is not of a kind regularly remitted by similarly
25 situated sellers; and

(2) Subject to the requirement that if the appeal or action for refund is denied,
interest, but not penalty, shall be charged notwithstanding relief under this
subsection.

(Serial No. 83-66, § 13, 1983; Serial No. 85-44, § 7, 1985; Serial No. 2001-04am, § 2, 2-26-2001;
Serial No. 2018-38(b)(am), § 10, 9-17-2018, eff. 10-18-2018)

Section 8. Amendment of Section. CBJC 69.05.180, Appeals, is amended as
follows:

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2 **69.05.180 Appeals.**

3 (a) *Informal appeal.* For controversies involving taxable sales, sales taxes, penalties and
4 interest not exceeding \$500.00, or involving procedures implemented by the treasurer,
5 an appeal by a financially aggrieved taxpayer or merchant shall be directed to the
6 treasurer. The treasurer shall advise the appellant of a date certain for a hearing and
7 shall informally review the appeal claim, make written findings and state reasons for
8 the decision. The decisions shall be maintained and indexed by the treasurer for review
9 by the public. The appellant may appeal the decision of the treasurer to a panel of
10 hearing officers ~~the board of appeals~~ within 15 days after receipt of the written decision
11 of the treasurer and failure of the appellant to so appeal shall be deemed to be a waiver
12 of any right to appeal such decision.

11 (b) *Hearing officers Board of appeals.*

12 (1) In order to provide an appeal mechanism for controversies involving taxable
13 sales, sales taxes, penalties and interest, and exceeding \$500.00, and in order to
14 hear appeals from decisions of the manager as provided under subsection (a) of
15 this section, a panel of hearing officers will be appointed, under CBJC 01.50.270,
16 to hear controversies. ~~there is established a board of appeals which shall consist~~
17 ~~of five members appointed by the assembly for staggered three year terms. To~~
18 ~~the extent possible, one member of the board of appeals shall be a certified public~~
19 ~~accountant, one member shall be licensed to practice law in the state, and the~~
20 ~~remainder shall be members of the general public. The board of appeals shall~~
21 ~~elect from its membership a chair, a vice chair and a secretary. Three members~~
22 ~~of the board of appeals shall constitute a quorum for the transaction of business.~~
23 ~~The City and Borough shall provide secretarial and other staff support required~~
24 ~~by the board of appeals.~~

25 ~~No member of the sales tax board who has served for three consecutive terms or~~
~~nine years shall again be eligible for appointment until one full year has~~
~~intervened, provided, however, that this restriction shall not apply:~~

(A) ~~— If there are no other qualified applicants at the time reappointment is~~
~~considered by the assembly human resources committee, or~~

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2 (B) ~~To qualified board members serving in board seats for which a specific~~
3 ~~occupation or expertise is set forth by ordinance.~~

4 (2) The hearing officers ~~board of appeals~~ shall conduct a hearing on a protest no
5 more than 60 days after the protest is filed. Decisions of the hearing officers
6 ~~board of appeals~~ shall be in writing and shall be maintained and indexed by the
7 manager for review by the public. Records and proceedings before the hearing
8 officers ~~board of appeals~~ are public, except that the hearing officers ~~board~~ may
9 deliberate in closed session. The hearing officers' ~~board's~~ authority in its review
10 of sales tax appeals includes the authority to recommend, in writing, that the
11 manager compromise and abate penalties and interest, and to recommend, in
12 writing, that the manager negotiate and enter into payment plans for delinquent
13 sales taxes, penalties and interest.

14 (3) Hearings shall be conducted informally, with due regard for the rights of the
15 parties involved. Hearings shall be recorded. ~~The board of appeals shall adopt~~
16 ~~rules of procedure governing sales tax appeals and proceedings before the board~~
17 ~~of appeals which rules shall become effective upon adoption, or such later date as~~
18 ~~the board may specify. Rules adopted by the board of appeals may not be~~
19 ~~inconsistent with this chapter. Upon adoption by the board of appeals, the rules~~
20 ~~and all additions and changes thereto shall be submitted to the assembly. The~~
21 ~~assembly may, by motion or resolution, modify any rules adopted by the board of~~
22 ~~appeals.~~

23 (c) *Review by assembly.* Any party to an appeal proceeding in this chapter shall have a
24 right to review by the assembly in accordance with chapter 01.50 of this Code.

25 (Serial No. 85-72, § 2, 1985; Serial No. 86-73, § 3, 1986; Serial No. 96-32, § 4, 1996; Serial No.
2001-04am, § 3, 2-26-2001; Serial No. 2002-13, § 2, 4-15-2002; Serial No. 2004-08, § 9, 3-22-
2004)

Section 9. Effective Date. This ordinance shall be effective 30 days after its
adoption.

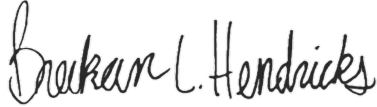
Adopted this 28 day of July, 2025.

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Beth A. Weldon, Mayor

Attest:



Breckan L. Hendricks, Municipal Clerk



OFFICE OF THE MUNICIPAL CLERK
Ph: (907)586-5278 ext. 4175
Fax: (907)586-4552
e-mail: Breckan.Hendricks@Juneau.gov

Date: April 22, 2026

To: Appellant: Alaska Electric Light and Power Company
Christopher Walker, Faulkner Banfield (representative)

Appellee: City & Borough of Juneau
Ruth Kostik, CBJ Treasurer

From: Breckan Hendricks, Municipal Clerk

Re: **Sales Tax Appeal: Alaska Electric Light and Power Company -
Notice of Hearing Officer Panel, Prehearing Conference, and Tentative
Hearing**

This letter is to notify you that the three-member Hearing Officers Panel has been identified from our master list for your appeal per [CBJC 01.50.270](#). The panel consists of Stephen Sorensen, David Epstein, and Carlee Simon.

The panel has elected to hold a prehearing conference pursuant to the [Rules of Procedure for Title 19, 53, and 69 Appeal Boards](#). The purpose of this conference is to settle, simplify, or identify the issues in the proceeding, establish any necessary briefing schedules if requested by the parties, and address any other matters that may assist in the expeditious disposition of the case.

The **prehearing conference** is scheduled and confirmed with both parties for **May 4 from 3:00-3:30p.m., to be held via Zoom**. Please use the following link to join the meeting:

Zoom Link: <https://juneau.zoom.us/j/88966753469>

Phone: 1 (253) 215-8782

Webinar ID: 889 6675 3469

Zoom note: Only those individuals directly involved in the proceeding will be designated as panelists. All other participants will remain in attendee (listen-only) mode. If a participant wishes to speak during the conference, they may use the “raise hand” feature. The panel will then determine whether it is appropriate to grant panelist status.

Please be advised that the 60-day deadline to hold the hearing falls on May 19, 2026. In anticipation of this requirement, the Hearing Officers Panel has reserved Monday, May 11 from 1:00–3:00 p.m. for the hearing. However, the final hearing date and schedule will be determined at the May 4 prehearing conference.

If you have any questions regarding this notice, please do not hesitate to contact the Clerk's Office by email (city.clerk@Juneau.gov) or at (907) 586-5278 ext. 4175.

Enclosures:

- Sales Tax Appeal Notice of Appeal: AELP memo to CBJ Treasurer

cc:

Nicole Lynch, Assistant Municipal Attorney
Clinton Mitchell, Assistant Municipal Attorney
Sherri Layne, Deputy Municipal Attorney
Emily Wright, Municipal Attorney

bcc:

Members of the Hearing Officer Panel
Stephen Sorensen
David Epstein
Carlee Simon



OFFICE OF THE MUNICIPAL CLERK
Ph: (907)586-5278 ext. 4175
Fax: (907)586-4552
e-mail: Breckan.Hendricks@Juneau.gov

Date: April 10, 2026
To: Ruth Kostik
CBJ Treasurer
From: Breckan Hendricks
Municipal Clerk
Re: Sales Tax Appeal Notice of Appeal: Alaska Electric Light and Power Company

Please find attached the Notice of Appeal – Sales Tax with its supporting documentation from Alaska Electric Light and Power Company received by the Municipal Clerk’s Office on Friday, March 20, 2026.

The Notice of Appeal was received on March 20, 2026. Pursuant to [CBJ Code 69.05.180\(b\)\(2\)](#), the 60-day period for holding a hearing expires on May 19, 2026.

The Municipal Clerk’s Office is in the process of identifying three (3) members for the Hearing Officer Panel pursuant to [CBJC 01.50.270](#). Upon appointment, the Clerk will confirm availability and screen for potential conflicts of interest. If a panel cannot be constituted through the standard appointment process, the City Manager may pursue alternative appointment procedures as authorized by applicable CBJ Code.

Please advise of any dates or times in May when you or your representative(s) are unavailable for a hearing.

Pursuant to the Rules of Procedure for Title 19, 53, and 69 Appeals Board, the Hearing Officer Panel may, at its discretion, schedule a pre-hearing conference to assist in organizing the appeal.

PRE-HEARING CONFERENCE:

The Hearing Officer Panel may, at its discretion, hold a pre-hearing conference to simplify or clarify the issues, establish briefing schedules if necessary, and address other matters that may assist in the efficient resolution of the appeal.

A party may request that the Panel consider scheduling a pre-hearing conference; however, the decision to hold a conference rests solely with the Panel.

The Hearing Officer Panel may dismiss an appeal if the appellant fails to state the grounds for relief

or fails to provide sufficient supporting documentation. An appeal may also be dismissed if the Panel determines the matter is outside the scope of its authority.

If you have any questions, please do not hesitate to contact me by email or at (907) 586-5278 ext. 4175

Enclosures:

Notice of Appeal – Sales Tax

Rules of Procedure for Title 19, 53, and 69 Appeals Board

CBJ Code Section 69.05.180

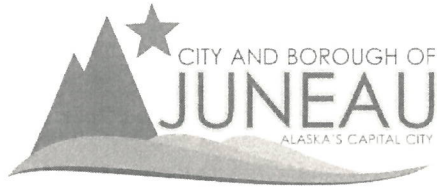
CBJ Code Section 01.50.270

cc:

Christopher Walker, Faulkner Banfield on behalf of Alaska Electric Light and Power Company

Emily Wright, Municipal Attorney

Clinton Mitchell, Assistant Municipal Attorney



CBJ CLERK

MAR 20 2026

RECEIVED

CITY AND BOROUGH OF JUNEAU, ALASKA
 Office of the Municipal Clerk
 155 Heritage Way, Juneau, Alaska 99801
 Phone (907) 586-5278 FAX (907) 586-4552
 City.Clerk@Juneau.gov

NOTICE OF APPEAL – SALES TAX

This form and all required attachments must be submitted to the Clerk's Office (City Hall Room 215) or mailed to the address above within **15 calendar days for appeals involving \$500 or less, or 20 calendar days for appeals involving more than \$500**, from whichever of the following occurs first:
 - the date the Sales Tax Office mailed the decision or action to the appellant; or
 - the date the appellant first became aware of the decision or action.

Note: Except as allowed under CBJC 69.05.104(c), appeals must be preceded by payment under written protest.

Name of Business: Alaska Electric Light and Power Company Phone: 907-759-5960
 Sales Tax Account Number: 190003
 Appellant's Name: Alaska Electric Light and Power Company Phone: 907-759-5960
 Address (mailing): 5601 Tonggard Ct., Juneau, AK 99801
 e-mail address: Alec.Mesdag@aelp.com Fax (optional): _____
 Do you have a representative for this appeal? no yes (complete the representative information below) Representative Name: Christopher Walker
 Address (mailing): 1 Sealaska Plaza, Suite 300, Juneau, AK 99801
 Phone: 907-523-6126 Fax: 907-586-3065 e-mail address: cwalker@faulknerbanfield.com

Type of Appeal (check all that apply):

<input type="checkbox"/>	Penalty and Interest	<input type="checkbox"/>	Audit Results
<input checked="" type="checkbox"/>	Exempt Sales Interpretation	<input type="checkbox"/>	Filing Requirements
<input type="checkbox"/>	Ordinance Interpretation	<input type="checkbox"/>	Collection Actions

Total Amount in Dispute: \$ \$13,830.43
 Date Appellant Learned of Decision/Action by Sales Tax Office: March 12, 2026
 Date Received by Clerk's Office: 3/20/2026 (Clerk Use Only) Clerk's initials: DMC

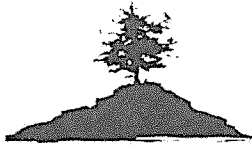
NOTICE OF APPEAL: Your Notice of Appeal must include:

1. A copy of all relevant sales tax ordinance sections, or a statement of relevant sales tax ordinance sections; a written statement in ordinary and concise language of how the position taken by the Sales Tax Office does not comply with the ordinance, including the particular circumstances, events, or occurrences which show the appellant has complied with the ordinance;
2. If penalties and/or interest are being disputed, a written statement in ordinary and concise language explaining why penalties and/or interest are inappropriate.
3. Any documents supporting the appellant's position; and
4. The signature of the appellant. (below)

The Notice of Appeal, with attachments, presents your case to the Hearing Officer Panel. The case must clearly show you have followed the requirements of the Sales Tax Ordinance and what decision you wish the Panel to make. You are entitled to representation before the Panel. *The Panel may dismiss an appeal if the appellant does not state the grounds upon which relief is requested or provide sufficient supportive documentation. An appeal may also be dismissed if the Panel determines that the matter falls outside the scope of the Panel's authority.*

Date: 03/19/2026 Signature:
 Alec Mesdag, President/CEO

The Municipal Clerk's Office (907) 586-5278 can answer any questions you may have regarding appeal procedures.



FAULKNER BANFIELD

One Sealaska Plaza, Suite 300
Juneau, Alaska 99801-1245

To: City and Borough of Juneau
From: Christopher J. Walker
Date: March 18, 2026
RE: AELP Appeal of Denial of Sales Tax Exemption

This statement supports the Notice of Appeal – Sales Tax filed by Alaska Electric Light and Power Company (“AELP”) with respect to the determination of the Finance Department-Sales Tax Office in its letter to AELP dated March 12, 2026.

Relevant Sections of City and Borough of Juneau Code

- 69.05.010
- 69.05.020(a)
- 69.05.040(32)

Statement of Appellant Regarding Grounds for Appeal

The determination of the Finance Department-Sales Tax Office (the “Department”) in its letter to Alaska Electric Light and Power Co. (“AELP”) dated March 12, 2026 (the “Determination”) is inconsistent with City and Borough of Juneau (“CBJ”) Code 69.05.040(32) because it does not follow the language or intent of the Code and applies a standard that is narrower than CBJ Code 69.05.040(32).

The intent of the CBJ sales tax is to tax consumption. It is levied on the “selling price on retail sale” CBJ 69.05.020(a). A retail sale is “any sale of real or tangible personal property.” CBJ 69.05.010.

The CBJ sales tax is also intended to exempt the wholesale of raw material, which is embodied in the “altered form” standard of CBJ Code 69.05.040(32). CBJ Code 69.05.040(32) does not limit the exemption to raw materials for typical goods, like lumber for buildings or metal for appliances.

In its publication *Energy Primer: A Handbook of Energy Market Basics*, The Federal Energy Regulatory Commission (“FERC”) states (<https://www.ferc.gov/media/energy-primer-handbook-energy-market-basics>, p33):

“Electricity is a physical product – the flow of electrical power. It is a secondary energy source, in that it results from the conversion of other energy forms such as natural gas, coal, or uranium, or the energy inherent in wind, sunshine or the flow of water in a river.

Electricity is not visible or directly observable, but it can be turned on and off and measured.”

AELP’s product, electricity, is subject to sales tax because it is a tangible, physical product. It can be measured and perceived by touch, which AELP strongly cautions against due to the risk of severe harm or death.

AELP’s diesel generators do not create this tangible, physical product from nothing, without any raw material. The raw material is the energy content of diesel fuel. As described by FERC, AELP’s diesel generators convert the chemical potential energy of diesel fuel into a form of kinetic energy. Because the electrical energy sold by AELP is an altered form of chemical energy stored in diesel fuel, AELP is entitled to an exemption on purchase of the diesel fuel it uses to power generators under CBJ Code 69.05.040(32).

The Determination incorrectly applies guidelines that are narrower than CBJ Code 69.05.040(32), concluding that AELP is not entitled to an exemption because “the diesel fuel itself does not physically enter into or become a component of the electricity.” The guidelines are not the law. They are information provided to sellers to help sellers apply CBJ Code 69.05. Still, AELP’s purchase of diesel for generation satisfies this standard because the diesel fuel is the only raw material that is traceable and identifiable in the electricity sold to AELP’s customers.

In most contexts, the guidelines are useful because they help illustrate a common understanding of the Code. In construction, they distinguish taxable purchases of tools from exempt purchases of lumber that becomes a building. But the guidelines do not require that the product contain the same matter, the same atoms and molecules, in the way that a building contains wood.

In AELP’s case, the guidelines could distinguish diesel fuel used to generate electricity from the diesel fuel used in AELP’s bucket trucks. The energy content of diesel fuel used in generating electricity is traceable and identifiable in the electricity sold to AELP’s customers. This is distinct from the energy content of diesel fuel used in AELP’s bucket trucks, which is converted to enable the mechanical operation of the vehicle. This conversion of energy facilitates the delivery of electricity, but none of this energy is present in the electricity sold to customers.

AELP’s generators utilize a physical process to convert chemical energy into electrical energy. The electricity may not contain the same atoms and molecules as the diesel, but the energy contained in the electricity cannot be traced to any other physical source. AELP can trace, measure, and identify how much electrical energy is produced from each gallon of diesel. Therefore, even under the guidelines, AELP is entitled to an exemption.

CBJ Code 69.05.040(32) is intended to exempt the purchase of raw material, and it applies here because the energy AELP sells is an altered form of the energy it purchases as diesel. The Determination is incorrect because it interprets the Code to require that the same molecules be present in the finished product, which is a narrower standard. It is inconsistent to find that

electricity, which has no mass, is tangible, taxable property but fail to exempt purchase of the chemical energy used as a raw material because its mass is not present in the electricity.

The Hearing Officer Panel should grant AELP an exemption from sales tax on the purchase of diesel fuel used by AELP to power its electrical generators.



CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Office
155 Heritage Way, Juneau, Alaska 99801
Phone (907) 586-5215 ext. 4901

March 12, 2026

Alaska Electric Light & Power Co
ATTN: Alec Mesdag
5601 Tonsgard CT
Juneau, AK 99801

Re: Determination of Eligibility for Resale of Goods

Dear Mr. Mesdag:

This letter is in response to your email, dated March 6, 2026, requesting a determination regarding the proper application of CBJ 69.05.040(32) - *Resale of Goods* exemption.

These are the facts as understood by the CBJ Sales Tax Office:

- Alaska Electric Light & Power (AEL&P) is an electric utility operating within the City and Borough of Juneau.
- AEL&P purchases diesel fuel to run its generators to generate electricity that it sells to customers.
- The cost of diesel generation is recovered through AEL&P's electric rates.

Applicable CBJ Sales Tax Code

CBJ 69.05.005 – Purpose and Intent: *It is the purpose of the tax levied under this chapter to raise revenues. To that end, the scope of the tax levied shall be broadly interpreted, and exemptions shall only be allowed when the rental, sales, or service clearly falls within an exemption defined in this chapter.*

CBJ 69.05.010 – Definition of Retail Sale: *Retail sale means any sale of real or tangible personal property, including barter, credit, installment, and conditional sales, for any purpose other than resale in the regular course of business. ...*

CBJ 69.05.010 – Definition of Goods for Resale: *The sale of goods by a manufacturer, wholesaler, or distributor to a retail vendor, and sales to a wholesale or retail dealer who deals in the property sold for the purpose of resale by the dealer.*

CBJ 69.05.040(32)- Resale of Goods: *"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 and who holds a valid resale certificate issued by the city and borough of Juneau.*

Issue: **Whether the purchase of diesel fuel used to generate electricity qualifies for the Resale of Goods exemption under CBJ 69.05.040(32).**

Merchant's Position

According to AEL&P, diesel fuel purchased for electrical generation contains stored chemical energy that is converted into electricity for sale to customers. AEL&P asserts that because electricity is sold in units of energy, the stored energy in the diesel fuel is converted into the product being sold and is therefore traceable and identifiable in the finished product.

AEL&P further states that the diesel fuel is not subject to intervening use because it is purchased specifically to generate electricity, which is ultimately sold to customers who are taxed on their electricity purchases. Based on this reasoning, AEL&P asserts that diesel fuel used in electrical generation should qualify for the resale of goods exemption.

CBJ Determination

Under 69.05.040(32) of the CBJ Sales Tax Code, the administrative guidelines outline the "sales for resale" of tangible personal property as follows:

1. The buyer's principal business must be the resale of the property (good).
2. For resale in the regular course of business without intervening use.
3. Ingredients or components used in processing new articles for sale.
4. The sale of articles of tangible personal property which physically enter into and form a part of a new article or substance produced for sale is a sale for resale and is not subject to the retail sales tax. This does not exempt from the retail sales tax the sale of articles consumed in a manufacturing process which do not enter into and become a physical part of the new article produced for sale, such as fuel used for heating purposes, oil for machinery, sandpaper, janitorial supplies, etc. For articles to qualify for sales tax exemption as ingredients or components of products produced for sale, such articles must be traceable and identifiable in the finished product.
5. The buyer has obtained a valid resale certificate issued by the City and Borough of Juneau.

The guidelines further clarify that articles consumed in a manufacturing process that do not enter into and become a physical part of the new article produced for sale are considered retail sales and are taxable to the buyer.

Examples of *taxable* components:

1. **Fuel used to operate equipment used in manufacturing or processing;**
2. Sandpaper, solvents used for cleaning, visqueen used for coverings and discarded form lumber;
3. Chemicals which are used up, dissolve in the process;
4. Dishes, kitchen utensils, linens, etc. purchased by restaurants, cocktail bars, and similar businesses;
5. Equipment, repairs, appliances; and
6. Tools, equipment rentals without an operator.

To qualify for the resale exemption, the tangible personal property purchased must either be resold in the same or altered form or must physically enter into and become a component of the product produced for sale. Property that is consumed during the operation of equipment used in production does not qualify for the resale exemption.

A diesel generator produces electricity by combusting diesel fuel to operate the engine that drives the generator. In this process, the diesel fuel is consumed in the operation of the generation equipment

prior to the sale of electricity and therefore constitutes intervening use under the resale exemption guidelines.

Although diesel fuel contains stored chemical energy that is converted into electrical energy during the generation process, the diesel fuel itself does not physically enter into or become a component of the electricity produced and sold. Instead, the diesel fuel is combusted and consumed in operating the generation equipment prior to the sale of electricity. As such, the diesel fuel is not resold in the same or altered form and does not remain identifiable as tangible personal property in the electricity produced and sold.

As stated in CBJ 69.05.005, exemptions shall only be allowed when the rental, sale, or service *clearly falls within a defined exemption*. Based on the facts presented, the applicable provisions and intent of the CBJ Sales Tax Code, and the relevant administrative guidelines, the CBJ Sales Tax Office has determined that diesel fuel used by AEL&P to generate electricity is consumed in operating its generation equipment and does not physically enter into or become part of the finished product. Accordingly, the diesel fuel functions as a consumable item used in the operation of generation equipment rather than tangible personal property purchased for resale.

Guidance for Compliance with the CBJ Sales Tax Code

Based on the facts presented in this determination, the purchase of diesel fuel by AEL&P for the purpose of generating electricity does **not qualify for the Resale of Goods exemption under CBJ 69.05.040(32)**. Accordingly, these purchases are considered taxable retail sales to the buyer under the CBJ Sales Tax Code.

The **2026 Resale of Goods Certificate** currently on file for AEL&P includes exemption codes for petroleum products and petroleum by-products/chemicals that were issued in error. The CBJ Sales Tax Office will coordinate with AEL&P to update and issue a revised exemption certificate reflecting the appropriate exemption categories.

If AEL&P believes it has a separate qualifying business activity requiring the purchase of petroleum products for resale, it may submit additional information for review. Upon verification that such purchases qualify under CBJ 69.05.040(32), the CBJ Sales Tax Office would be happy to revisit the applicability of those exemption categories.

Appeal Process

AEL&P has the right to appeal this determination before a panel of hearing officers. Enclosed are the necessary forms and appeal procedures should you choose to move forward with an appeal. The sales tax determination appeal must be filed with the City Clerk by the close of business **on Wednesday, April 1, 2026** (20 days from the date of this determination), or the right to appeal is deemed waived.

Sincerely,



Mandy Judy

CBJ Revenue Officer

mandy.judy@juneau.gov

Certified No. 7021 2720 0003 0937 7660

Duplicate mailing sent by Parcel Post

CITY AND BOROUGH OF JUNEAU
RULES OF PROCEDURE FOR TITLE 19, 53, AND 69 APPEALS BOARD

1. Intent and Construction

These Rules of Procedure are established pursuant to Ordinance 2025-17. A list of hearing officers will be established by the Manager's Office to handle appeals made under Title 19, Title 53, or Title 69. A hearing before the City and Borough of Juneau Hearing Officers Appeal Board is intended to be an informal, fair proceeding for review of a final agency decision not addressed by another hearing procedure. These rules of procedure are intended to ensure the expeditious resolution of appeals and protests and shall be interpreted in a manner consistent with that intent.

2. Parties

The parties to the hearing may include (a) protestor/appellant; (b) department representative; (c) any bidder or process participant; and (d) an intervener.

3. Rules of Evidence

Any relevant document, information, or testimony which a responsible person would rely on in the conduct of serious affairs may be considered, regardless of the existence of any common law, statutory, or court rule that might make such evidence inadmissible in a civil or criminal action. This shall include any documents or information relied upon by the agency decision maker. The Hearing Officers will rule on any objections to the evidence presented.

4. Attendance

A party or the party's designated representative may attend the hearing. A party who has received timely notice and fails to attend the hearing, without good cause, waives the right to participate in the hearing.

5. Burden of Proof

The protestor/appellant bears the burden of proof of establishing by a preponderance of the evidence that the decision should be reversed or modified.

6. Prehearing Procedures

The Hearing Officers may hold a prehearing conference to settle, simplify, or identify the issues in a proceeding and to set timeframes as necessary if briefing is requested by the parties, or to consider other matters that may aid in the expeditious disposition of the proceeding.

7. Conduct of Hearing

- a. The Hearing Officers shall preside over the hearing, maintain decorum, and assure that all parties have a reasonable opportunity to present their cases.
- b. The hearing shall be recorded. A party may request a copy of the recording or a transcript of the hearing from the Clerk's Office. The requesting party shall bear the cost of copying or transcription.
- c. The Hearing Officers may ask the parties questions concerning any matter related to the hearing at any time. The Hearing Officers may recess and reconvene the hearing for the convenience of the participants and the Hearing Officers.

- d. Unless otherwise determined by the Hearing Officers, the hearing shall proceed as follows:
 - (1) Each party may make a short opening statement summarizing their position and the evidence they intend to introduce (5 minutes);
 - (2) The party with the burden of proof shall present their evidence through testimony and introduction of exhibits (20 minutes);
 - (3) The other parties, starting with the CBJ staff, shall then present their evidence through testimony and introduction of exhibits (20 minutes each);
 - (4) The Hearing Officers may allow the party with the burden of proof to present additional rebuttal evidence and testimony (up to 10 minutes);
 - (5) Each party may make a short closing argument summarizing their case and stating what action, if any, they believe the Hearing Officers should take (up to 5 minutes each); and
 - (6) The Hearing Officers will then ask any final questions.
- e. After the parties have presented their evidence and argument, the Hearing Officers shall deliberate in executive session or may recess and reconvene its deliberations as appropriate.

8. Best Interest Finding

If at any point the Manager or Manager's Designee makes a Best Interest Finding, the Hearing Officers' role is deemed moot and the appeal will be closed. Parties shall be notified and will receive a copy of the finding within 24 hours of issuance. The Best Interest Finding must include findings of fact and a determination on each issue presented based on the record available. The Best Interest Finding shall be submitted to the Assembly for review at the next regular Assembly meeting. The parties may include an objection/response in writing to the Best Interest Finding for consideration by the Assembly. The objection/response must be provided no later than 3 days after receiving notice of the Best Interest Finding.

9. Hearing Officers' Recommendation

The Hearing Officers shall issue a written recommendation containing findings of fact and conclusions of law on each of the issues presented. A recommendation may affirm, modify, or set aside an agency decision in whole or in part. The decision shall be submitted to the Manager no later than 10 working days after the close of the hearing.

10. Manager Decision

The Manager shall review the recommended decision of the Hearing Officers. Within 10 working days the Manager shall (a) accept the recommendation, (b) reject the recommendation and issue an independent decision, or (c) remand to the Hearing Officers for additional findings. The Manager's decision shall be in writing and set forth the reasons for the decision with specificity.

11. Assembly Review

- a. Under CBJC 53.50.062(n), if the bid amount contested is over \$750,000, the hearing officers' decision and recommendation will go directly to the Assembly for review.

- b. Manager's Decision on the Hearing Officers Recommendation. The Decision may be appealed to the Assembly as designated in Chapter 01.50.
- c. Best Interest Finding. If a Best Interest finding has been made, at its next regular meeting the Assembly shall review the Best Interest Finding and any objection/response received from the parties. The Assembly may affirm or reject the Best Interest Finding. If affirmed, the decision of the Assembly is final. If rejected the case will go back to the Hearing Officers at the stage in the process when the Finding was made. The Assembly may provide comments for consideration to the Hearing Officers.

12. Judicial Review.

A final decision by the Assembly may be appealed to the superior court in accordance with the Alaska Rules of Appellate Procedure.

69.05.180 Appeals.

- (a) *Informal appeal.* For controversies involving taxable sales, sales taxes, penalties and interest not exceeding \$500.00, or involving procedures implemented by the treasurer, an appeal by a financially aggrieved taxpayer or merchant shall be directed to the treasurer. The treasurer 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 treasurer for review by the public. The appellant may appeal the decision of the treasurer to a panel of hearing officers within 15 days after receipt of the written decision of the treasurer and failure of the appellant to so appeal shall be deemed to be a waiver of any right to appeal such decision.
- (b) *Hearing officers.*
- (1) In order to provide an appeal mechanism for controversies involving taxable sales, sales taxes, penalties and interest, and exceeding \$500.00, and in order to hear appeals from decisions of the manager as provided under subsection (a) of this section, a panel of hearing officers will be appointed, under CBJC 01.50.270, to hear controversies.
 - (2) The hearing officers shall conduct a hearing on a protest no more than 60 days after the protest is filed. Decisions of the hearing officers shall be in writing and shall be maintained and indexed by the manager for review by the public. Records and proceedings before the hearing officers are public, except that the hearing officers may deliberate in closed session. The hearing officers' authority in its review of sales tax appeals includes the authority to recommend, in writing, that the manager compromise and abate penalties and interest, and to recommend, in writing, that the manager negotiate and enter into payment plans for delinquent sales taxes, penalties and interest.
 - (3) Hearings shall be conducted informally, with due regard for the rights of the parties involved. Hearings shall be recorded.
- (c) *Review by assembly.* Any party to an appeal proceeding in this chapter shall have a right to review by the assembly in accordance with chapter 01.50 of this Code.

(Serial No. 85-72, § 2, 1985; Serial No. 86-73, § 3, 1986; Serial No. 96-32, § 4, 1996; Serial No. 2001-04am, § 3, 2-26-2001; Serial No. 2002-13, § 2, 4-15-2002; Serial No. 2004-08, § 9, 3-22-2004; Serial No. 2025-17(b), § 8, 7-28-2025, eff. 8-27-2025)

01.50.270 Hearing officers.

In the event of an appeal, a group of three hearing officers will be randomly selected to hear the appeal. Should any one of the persons selected not be available, the clerks will randomly select the next name, until a panel of three hearing officers are available.

- (a) If a hearing officer is needed to review decisions made under Title 19, Title 53, or Title 69, a list of available hearing officers will be established by the manager. Members of the Bidding Review Board, Sales Tax Board of Appeals, Building Code Advisory Committee, and Building Code Board of Appeals will be offered a position as a hearing officer as part of the repeal of these boards. To the extent feasible, hearing officers will have experience in the legal, financial, land use, fire, or building code fields. Hearing officers will be appointed for a period of three years. If no hearing officer is available, the manager may seek an outside appointment.
- (b) Rules of Procedure will be established by resolution and reviewed and approved by the Assembly every five years.
- (c) The hearing officers may:
 - (1) Hold prehearing conferences to settle, simplify, or identify the issues in a proceeding, or to consider other matters that may aid in the expeditious disposition of the proceeding;
 - (2) Require parties to state their positions concerning the various issues in the proceeding;
 - (3) Require parties to produce for examination those relevant witnesses and documents under their control;
 - (4) Rule on motions and other procedural matters;
 - (5) Regulate the course of the hearing and conduct of the participants;
 - (6) Establish time limits for submission of motions or memoranda;
 - (7) Impose appropriate sanctions against a person who fails to obey an order of the manager, including:
 - (A) Prohibiting the person from asserting or opposing designated claims or defenses or introducing designated matters into evidence;
 - (B) Excluding all testimony of an unresponsive or evasive witness; and
 - (C) Excluding a person from further participation in the hearing.
 - (8) Take official notice of a material fact not appearing in evidence, if the fact is among the traditional matters subject to judicial notice;
 - (9) Administer oaths or affirmations.
- (d) A transcribed record of the hearing shall be made available at cost to a party that requests it.
- (e) The hearing officers shall issue a written recommendation containing findings of fact and conclusions of law on each of the issues presented. A recommendation may affirm, modify, or set aside an agency decision in whole or in part. The decision shall be submitted to the manager no later than ten working days after the close of the hearing.
- (f) The manager shall review the recommended decision of the hearing officers. Within ten working days, the manager shall (a) accept the recommendation, (b) reject the recommendation and issue an independent decision, or (c) remand to the hearing officers for additional findings. The manager's decision shall be in writing and set forth the reasons for the decision with specificity.

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- (g) A final decision may be appealed to the assembly.
 - (h) If, provided by code, a manager or manager's designee makes a best interest finding, the hearing officers' role is deemed moot and the appeal will be closed. Parties shall be notified and will receive a copy of the finding within 24 hours of issuance. The best interest finding must include findings of fact and a determination on each issue presented based on the record available. The best interest finding shall be submitted to the assembly for review at the next regular assembly meeting. The parties may include an objection/response in writing to the best interest finding for consideration by the assembly. The objection/response must be provided no later than ten working days after receiving notice of the best interest finding. The assembly may affirm or reject the best interest finding. If affirmed, the decision of the assembly is final. If rejected the case will go back to the hearing officers at the stage in the process when the finding was made. The assembly may provide comments for consideration to the hearing officers.

(Serial No. 2025-17(b), § 2, 7-28-2025, eff. 8-27-2025)