ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA

November 4, 2019 7:00 PM

Assembly Chambers
Meeting No. 2019-34

Submitted By:

____
Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Proclamation: Honoring Virginia Palmer**

IV. APPROVAL OF MINUTES

A. **August 1, 2019 Special Assembly Meeting 2019-28 Minutes**

V. MANAGER’S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

1. Ordinances for Introduction

a. **Ordinance 2019-43 An Ordinance Amending the Purchasing Code Related to Timelines for Protests.**

The CBJ procurement code governs how goods and services are procured and when a procurement protest can be submitted. Currently, protests must be submitted by “close of the business day.” This ordinance would

clarify that a protest must be submitted by 4:30 pm Alaska time. This amendment would provide clarity for the public and CBJ staff.
The Public Works and Facilities Committee recommended this ordinance be introduced when it reviewed the topic at its meeting on October 28, 2019.

The City Manager recommends the ordinance be introduced and set for public hearing at the next regular Assembly meeting.

b. **Ordinance 2019-46 An Ordinance Amending the Waters and Harbors Code Relating to Unattended Vessels at Boat Launches and Providing for a Penalty.**

Docks & Harbors heard concerns from the Amalga Harbor/Huffman Cove residents that vessels were being left unattended at the Amalga Harbor boarding float overnight. This ordinance would prohibit a vessel from being left unattended at a boat launch except when a person is actively parking or retrieving a trailer. In response to public comments, the term "float plane" was added to the type vessels regulated by this ordinance. The Docks & Harbors Board reviewed this ordinance at its meeting on September 26, 2019 and recommends the Assembly adopt the ordinance.

The City Manager recommends the ordinance be introduced and set for public hearing at the next regular Assembly meeting.

c. **Ordinance 2019-06(F) An Ordinance Transferring $47,969 of Unexpended FY19 Marine Passenger Fees from the General Fund to the Open Space Waterfront Land Acquisition Capital Improvement Project.**

This ordinance would transfer $47,969 of unexpended Marine Passenger Fees (MPF) revenues, budgeted for specific purposes in FY19 and not expended by the fiscal year end, to the Open Space Waterfront Land Acquisition CIP. This transfer is consistent with the Assembly's direction on the disposition of unexpended MPF funds.

The amounts below are the result of monies appropriated from the Marine Passenger Fee Fund for specific purposes in the FY19 budget but were not fully expended by the end of FY19.

Franklin Dock Enterprises	$ 10,616
Downtown Business Association	306
City Manager	2,725
Capital City Fire Rescue	34,322
Total	**$ 47,969**

For accounting purposes, the funds will first be refunded to the Marine Passenger Fee Fund and then be transferred to the Open Space Waterfront Land Acquisition CIP.

The City Manager recommends this ordinance be introduced and set for public hearing at the next Assembly meeting.

2. Resolutions

a. **Resolution 2872 A Resolution Authorizing the City and Borough of Juneau to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Seller Sales Tax Code.**

In 2018, the United States Supreme Court decided *South Dakota v. Wayfair*, which allows States to assess sales tax on remote sales (i.e. internet, mail, catalogue, phone). Alaska is one of only five states that does not have a state-wide sales tax. However, many municipalities in Alaska assess local sales taxes. To be compliant with the *Wayfair* decision, local taxing jurisdictions in Alaska should be part of a unified program to assess those remote sales taxes.

Since 2018, the Alaska Municipal League led a collaborative approach to develop the Alaska Intergovernmental Remote Seller Sales Tax Agreement. This agreement is the first step for participating communities to form the Alaska Remote Seller Sales Tax Commission. The Commission will be charged with administering a *Wayfair* compliant system for collecting and remitting sales tax revenues assessed on remote sales. This resolution authorizes the Manager to sign the intergovernmental agreement for the CBJ to become a member of the Commission. The CBJ would retain the authority to establish and modify sales tax rates and exemptions.

The Assembly Finance Committee recommended the Assembly adopt this resolution at its regular meeting on August 21, 2019.

The City Manager recommends the Assembly adopt this resolution.

b. **Resolution 2873 A Resolution Expressing Support for the Juneau Coordinated Transportation Coalition's Prioritization of Projects for Grant Funding by the Alaska Department of Transportation and Public Facilities.**

This resolution would provide the required local government support for mobility projects to be eligible for State grants. On October 14, 2019 the

Juneau Coordinated Transportation Coalition recommended the Assembly endorse the following grant application priorities for the upcoming State mobility grants:

1. Taxi voucher program
2. One 4x4 capable lift-equipped van
3. One ramp-equipped taxi

The new prioritized projects would be considered as an addendum to the CBJ 2015 Juneau Coordinated Human Services Transportation Plan.

On October 28, 2019, the Public Works and Facilities Committee recommended the Assembly adopt this resolution.

The City Manager recommends the Assembly adopt this resolution.

3. Liquor License

a. **Liquor License Transfer of Location for License 851 Alaska Travel Adventures d/b/a Gold Creek Salmon Bake**

This liquor license action is before the Assembly to either protest or wave its right to protest the license action.

Location Transfer of Liquor License
License Type: Restaurant/Eating Place, License #851
Alaska Travel Adventures, Inc., d/b/a Gold Creek Salmon Bake
Transfer From Location: 1061 Salmon Creek Lane, Juneau
Transfer To Location: No Premises

Staff from the Police, Finance, Fire, Public Works (Utilities), and Community Development Departments have reviewed the above license and recommend the Assembly waive its right to protest the application. Copies of the documents associated with this license are in the Assembly's e-packet or available in hardcopy upon request to the Clerk's office.

The City Manager recommends the Assembly waive its right to protest the location transfer of liquor license #851.

4. Transfers

a. **Transfer T-1021 A Transfer of $123,164 from CIP H51-105 Amalga Fish Cleaning Station to CIP H51-121 Pile Anode Installation**

Docks & Harbor, in cooperation with the Finance Department, is in the process of closing out the Amalga Fish Cleaning Station project (H51-105). This transfer requests reprogramming the remaining $123,164 from Amalga Harbor Fish Cleaning Station to a Capital Improvement Project (CIP) intended to install zinc anodes at the downtown small boat harbors, Pile Anode Installation (H51-121). This project was established, in part, from Docks & Harbors Board prioritization process and vision to extend the useful life of newly recapitalized small boat harbor projects. The transfer, if approved, will bring the CIP balance to $403,164 which includes $140,000 from the Alaska Department of Transportation (ADOT) Harbor Facilities Grant program.

The Docks & Harbor Board recommended approval of this transfer at its October 31, 2019, regular Board Meeting.

The City Manager recommends approval of this transfer.

VIIIPUBLIC HEARING

A. **Ordinance 2019-13 An Ordinance Amending Ordinance 2018-37 Related to the City and Borough's RecycleWorks Program.**

On July 11, 2018, Ordinance 2018-37 authorized an alternative procurement method related to the City and Borough's RecycleWorks program. That ordinance allowed consolidation of recycling, household hazardous waste and future composting programs at the landfill to realize public convenience and operational efficiencies. Staff is finalizing negotiations for the recycle contract and household hazardous waste lease, but the global recycling market has constricted since July 2018.

This ordinance amends the payment terms of Ordinance 2018-37 to reflect changes in the global recycling market. The recycle contract term remains ten years with four, five-year renewal options for a total of thirty years. Waste Management has constructed the new recycling building at the landfill and this new facility will receive, process, bale, and ship recyclable materials from residential and commercial sources.

This ordinance was reviewed by the Public Works and Facilities Committee on October 28, 2019.

The City Manager recommends the Assembly adopt this ordinance.

B. **Ordinance 2019-44 An Ordinance Correcting Certain Customer Classes and Rates for Water and Wastewater Utility Services in Ordinance 2019-31.**

Ordinance 2019-31 was recently adopted and increased the water and wastewater utility rates. Shortly after adoption, inadvertent Customer Class and Rate errors were identified in the ordinance. This ordinance corrects those inadvertent errors to be consistent with the intent of Ordinance 2019-31.

The City Manager recommends the Assembly adopt this ordinance.

C. **Ordinance 2019-45 An Ordinance Amending the Sales Tax Code Related to the Out of Borough Exemption.**

This housekeeping ordinance clarifies the sales tax exemption for out-of-borough sales, which will allow the Sales Tax Office to continue its historic interpretation and application of the exemption. Since its inception, the out-of-borough sales tax exemption has been interpreted to apply when the buyer makes an order from outside the borough and the goods are shipped outside the borough, regardless of whether the buyer or the seller arranged and paid for the shipping. The ordinance clarifies and supports that interpretation of the code, which does not change current practice.
The Assembly Finance Committee recommended this change at its meeting on September 25, 2019.

The City Manager recommends the Assembly adopt this ordinance.

D. **Ordinance 2019-06(G) An Ordinance Appropriating to the Manager the Sum of $1,000,000 as Funding for Various Capital Improvement Projects at the Juneau International Airport; Funding Provided by Passenger Facility Charge Fees.**

This ordinance would appropriate $1,000,000 to the Capital Improvement Projects (CIPs) listed below.

Terminal Reconstruction	$587,723
Taxiway A, E, D-1	$412,277

Funding is provided by Passenger Facility Charge (PFC9) collections. It will be used to provide new construction funds for Taxiway Rehabilitation, and Terminal Reconstruction CIPs.

The Airport Board approved this action at its October 8, 2019, meeting.

The City Manager recommends the Assembly adopt this ordinance.

E. **Ordinance 2019-06(H) An Ordinance Appropriating to the Manager the Sum of up to $35,292 as Funding for Multiple Training Events for the Juneau Police Department; Grant Funding Provided by the United States Department of Justice, Office of Justice Programs, FY19 Edward Byrne Memorial Justice Assistance Grant (JAG) Program.**

The Juneau Police Department has been awarded $35,292 in grant funding for various training opportunities.

The JPD leadership team has identified the following training opportunities: advanced crime prevention through environmental design, explosive ordnance device, Microsoft boot camp, national incident-based reporting, and report building.

No local match is required for this grant.

The City Manager recommends the Assembly adopt this ordinance.

F. **Ordinance 2019-06(I) An Ordinance Appropriating to the Manager the Sum of $1,324,150 as Funding for a Negotiated Wage Increase and an Additional Lump Sum Payment for Marine Engineers Beneficial Association (MEBA) and Unrepresented Employees; Funding Provided by the General Fund's Fund Balance and Various Enterprise Fund's Fund Balances.**

This ordinance appropriates $1,324,150 in FY20 for the negotiated wage increase, increase to employer contribution to health insurance and additional lump sum payment of $500 for Marine Engineers Beneficial Association (AFL-CIO) (MEBA) and unrepresented employees. Funding is provided by General Fund's Fund Balance, and the Enterprise Fund Balances of Lands and Resources, Airport, Harbors, Docks, Waste Management, Water, Wastewater, Fleet and Risk.

Resolutions 2859 and 2860 were reviewed and adopted by the Assembly at its meeting on July 22, 2019. Resolution 2859 ratified the labor agreement between the CBJ and MEBA. Resolution 2860 adopted changes to the Personnel Rules to align them with the labor agreement ratified in Resolution 2859.

The City Manager recommends the Assembly adopt this ordinance.

G. **Ordinance 2019-06(J) An Ordinance Appropriating to the Manager the Sum of $570,847 as Funding for a Negotiated Wage Increase and an Additional Lump Sum Payment for Public Safety Employees Association (PSEA) Employees; Funding Provided by the General Fund's Fund Balance.**

This ordinance appropriates $570,847 in FY20 for the negotiated wage increase, increase to employer contribution to health insurance and additional lump sum payment of $500 for Public Safety Employees Association (PSEA) employees. Funding is provided by the General Fund's Fund Balance.

Resolution 2858 was reviewed and adopted by the Assembly at its meeting on July 22, 2019. Resolution 2858 ratified the labor agreement between the CBJ and PSEA.

The City Manager recommends the Assembly adopt this ordinance.

H. **Ordinance 2019-06(K) An Ordinance Appropriating to the Manager the Sum of $166,000 as Funding for a Negotiated Wage Increase for International**

Association of Fire Fighters (IAFF) Employees; Funding Provided by the General Fund's Fund Balance.

This ordinance appropriates $166,000 in FY20 for the negotiated wage increase, and increase to employer contribution to health insurance for International Association of Fire Fighters (IAFF) employees. Funding is provided by the General Fund's Fund Balance.

Resolution 2870 was reviewed and adopted by the Assembly at its meeting on October 14, 2019. Resolution 2870 ratified the labor agreement between the CBJ and IAFF.

The City Manager recommends the Assembly adopt this ordinance.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. **Hardship Late-Filed Property Tax Exemption-Kaysa Korpela**

B. **AMCO Liquor License Renewal-Taku Lanes, LLC. License #5095-Recommended Protest**

Renewal of Liquor License
License Type: Recreational Site, license #5095
Licensee: Taku Lanes, LLC d/b/a Taku Lanes
Premises Address: 608 W Willoughby Ave

The Finance Department/Sales Tax Division recommends the Assembly protest this license renewal based on Taku Lanes LLC having a total balance due of $6,343.34 in sales tax, liquor tax, late fees, penalties and interest. This balance due is from the monthly filing periods January 2019 – May 2019.

A certified letter to the licensee was returned as non-deliverable, emails have bounced-back from the email address on file with CBJ and AMCO, phone messages to the licensee are unable to be left due to licensee's voice mail being full and not accepting messages.

Your packet contains copies of the notice sent to the licensee as well as the CBJ Code sections and Alaska Statutes pertaining to this matter. The Assembly Human Resources Committee also considered this matter at its meeting immediately preceding this Assembly meeting and will provide a recommendation to the Assembly for action.

The City Manager recommends the Assembly act in accordance with the recommendation from the Human Resources Committee following action at its November 4, 2019 meeting.

XI. STAFF REPORTS

XII. ASSEMBLY REPORTS

A. Mayor's Report

B. Committee Reports, Liaison Reports, Assembly Comments and Questions

C. Presiding Officer Reports

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

XVI. SUPPLEMENTAL MATERIALS

A. 2020 Draft Assembly Calendar - RED FOLDER ITEM

B. Assembly Goals 2019 - RED FOLDER Updated 11/4/2019

C. RED FOLDER - Email and Letter regarding Taku Lanes LLC Liquor License Protest

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - August 1, 2019

I. CALL TO ORDER / ROLL CALL

Meeting No. 2019-28: The Special Meeting of the City and Borough of Juneau Assembly, held in Conference Room 224 of the Municipal Building, called to order at 6:47 p.m. by Deputy Mayor Maria Gladziszewski.

Assemblymembers Present: Deputy Mayor Maria Gladziszewski, Loren Jones, Rob Edwardson, Michelle Hale, Wade Bryson and Alicia Hughes-Skandijs.

Assemblymembers Absent: Mayor Beth Weldon, Mary Becker and Carole Triem

Staff Present: Deputy Clerk, Diane Cathcart and Airport Manager, Patty Wahto

II. APPROVAL OF AGENDA

III. AGENDA TOPICS

A. Airport Board Appointments

MOTION: by Mr. Edwardson for the Assembly to reappoint Chris Peloso and Jerry Godkin to the Airport Board for terms beginning immediately and ending June 30, 2022 and to also appoint Jodi Garza for a term beginning immediately and ending June 30, 2022. *Hearing no objection, those appointments were made.*

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

V. EXECUTIVE SESSION

VI. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 6:48p.m.

Signed:____________________
Diane Cathcart
Acting Clerk

Signed: ____________________
Maria Gladziszewski
Acting Mayor

Presented by: The Manager
Introduced: 11/04/19
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-43

An Ordinance Amending the Purchasing Code Related to Timelines for Protests.

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 Section. CBJ 53.50.062 Protests, is amended to read:

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 <u>4:30 p.m. Alaska time</u> ~~the close of~~ the <u>working</u> ~~business~~ day following posting by the purchasing officer of a notice of apparent low bidder or successful proposer. Late notices of intent to protest shall not be considered. The notice of intent to protest shall include the name and address of the protestor and a brief description of the grounds for the protest.

(c) A written protest shall be filed with the purchasing officer within five working days after posting of notice of apparent low bidder or successful proposer.

(d) A written protest shall, at a minimum, contain the following:

(1) The name, address, and telephone number of the interested party filing the protest;

(2) The signature of the interested party or the interested party's representative;

(3) Identification of the proposed award at issue;

(4) A statement of the legal or factual grounds for the protest;

(5) Copies of all relevant documents; and

(6) The fee required by section 53.50.080.

(e) The purchasing officer shall reject an untimely or incomplete protest.

(f) If a timely and complete protest is filed, the award of the contract shall be stayed until the protest is resolved, unless the manager determines in writing that award of the contract pending resolution of the protest is in the best interests of the City and Borough.

(g) The purchasing officer shall issue a written response to the protestor within ten working days of the date the protest is filed. If multiple protests have been filed, they may be consolidated for purposes of the response. Copies of the response shall be provided to any other protestor requesting one. The response may include an amendment of all or 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 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 ~~end of the~~ working day following issuance of the purchasing officer's response. Late notices shall not be considered. A written request for review shall be filed within five working days after the response is issued by the purchasing officer. The notice of intent to request review and the written request for review shall be in the same form as provided in subsections (b), (c), and (d) of this section.

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

(k) The bidding review board shall conduct a hearing and issue a recommendation within seven calendar days of the date the referral is made to the board. The bidding review board may, by written notice to all bidders or proposers, extend this seven-day period to a maximum of 30 days. Hearings shall be conducted informally, with due regard for the rights of the parties involved. Hearings shall be recorded.

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

(m) The recommendation:

(1) May include the following:

(A)~~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)~~b~~. A recommendation that one or more bids or proposals be considered or rejected or that the procurement process at issue be canceled;

(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)~~a~~. An amendment of the specifications for a bid or request for proposals;

(B)~~b~~. A change in the criteria for selection of a proposal; or

(C)~~c~~. An amendment, reordering, or reassessment of any qualitative judgment in the rating of a proposal;

(3) Shall not include a recommendation for:

(A)~~a~~. Selection or rejection of any additive or deductive alternate; or

(B)~~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, as appropriate, for consideration in the award of the contract.

(n) 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.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of _______________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 11/04/19
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-46

An Ordinance Amending the Waters and Harbors Code Relating to Unattended Vessels at Boat Launches and Providing for a Penalty.

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 85.20 Rentals, Fees, Terms, and Qualifications for Use, is amended by adding a new section to read:

85.20.040 Unattended vessel at boat launch prohibited.

(a) Boat launches are intended only for loading and unloading vessels. No person operating or in charge of a vessel may leave the vessel unattended at the Douglas Harbor Boat Launches, the Harris Harbor Boat Launch, the North Douglas Boat Launch, the Statter Harbor Boat Launch, the Amalga Harbor Boat Launch, the Echo Cove Boat Launch, or the Auke Bay Landing Craft Freight Ramp. A person or persons attending a vessel must monitor and be able to maneuver the vessel as necessary for safe and efficient use of launches. For the purposes of this section, a vessel includes a boat, kayak, float plane, seine skiff or other similar watercraft.

(b) The prohibition in section (a) does not apply to temporary durations when the operator or person in charge of the vessel leaves the boat launch to dispatch a vehicle and trailer necessary in the recovery of the vessel.

(c) Violation of this section is a violation subject to a civil fine.

Section 3. Amendment of Section. CBJ 03.30.070 Violations, civil fines, is amended to read:

03.30.070 Violations; civil fines.

. . .

CBJ	**Type of Violation**	**Civil Fine**
. . .	. . .	. . .
Title 85	**Boat Harbor**	
85.10.050(k)	Violate posted parking	25.00
85.20.030(a)	Boat launch ramp fee and permit required	75.00
<u>85.20.040(a)</u>	<u>Unattended vessel at boat launch</u>	<u>$75.00</u>
85.25.010	Fail to register	25.00

. . .

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 11/4/2019
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(F)

An Ordinance Transferring $47,969 of Unexpended FY19 Marine Passenger Fees from the General Fund to the Open Space Waterfront Land Acquisition Capital Improvement Project.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of $47,969 as Funding for the Open Space Waterfront Land Acquisition Capital Improvement Project.

Section 3. Source of Funds. Unexpended Marine Passenger Fee funds that were transferred to:

General Fund	$47,969

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 11/04/19
Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2872

A Resolution Authorizing the City and Borough of Juneau to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Seller Sales Tax Code.

WHEREAS, the inability to effectively collect sales tax on sales of personal property, products or services transferred or delivered into Alaska in response to orders placed electronically by consumers with remote sellers, is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because the state has no broad-based tax, and sales tax revenues are essential in funding the provision of services by local governments; and

WHEREAS, the failure to collect tax on internet sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the state or cities and boroughs but still sell their goods and services to their consumers, something that becomes easier and more prevalent as technology continues to advance; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring and is a growing problem that is likely to only worsen in the near future; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; and

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales tax associated with sales to the Alaska taxing jurisdictions; and

WHEREAS, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the State of Alaska or within the City and Borough of Juneau ("CBJ"), but do have a taxable connection with the State of Alaska and the CBJ; and

WHEREAS, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

WHEREAS, in order to implement a single-level statewide sales tax administration, it is the intent of local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the "Commission"); and

WHEREAS, the function and powers of the Commission will be set forth under the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the "Agreement"), a cooperative agreement between the local taxing jurisdictions within Alaska; and

WHEREAS, under the terms of the Agreement, in order to maintain membership in the Commission, the CBJ will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote sellers; and

WHEREAS, the uniform remote seller sales tax code will be presented to the CBJ Assembly for consideration once adopted by the Commission; and

WHEREAS, once adopted, the administration of remote seller sales tax collection and remittance will be delegated to the Commission; and

WHEREAS, the intent of the Agreement is to enable Alaska's taxing jurisdictions to levy their municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, CBJ Charter Sec. 2.3 provides that the municipality may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the State, or the United States, or any agency or instrumentality of these governments.

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

Section 1. Authorization. The Assembly authorizes the Manager to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission.

Section 2. Representation. The Assembly designates the Finance Director as the CBJ's representative on the Commission.

Section 3. Agreement. The Alaska Intergovernmental Remote Seller Sales Tax Agreement is included as Attachment A.

Section 4. **Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this _______ day of _______________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL

October 11, 2019

Alaska Intergovernmental Remote Seller Sales Tax Agreement

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

Article I. Background Principles.

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.

2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.

3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.

4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.

5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

Article II. Purpose.

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;

2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and

3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

Article III. Definitions.

As used in this Agreement:

1. "Commission" means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.

2. "Local Government" means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.

3. "Member" means a Local Government signatory to this Agreement.

4. "Remote seller" means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.

5. "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.

6. "Marketplace facilitator" means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's products or services (excluding lodging and rentals) 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 seller;

        ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;

        iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the 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;

    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.

Article IV. The Commission.

1. Organization and Management.

a. The Alaska Remote Seller Sales Tax Commission (the "Commission") is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member's behalf.

b. Each Member will be entitled to one vote.

c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.

d. No action will be binding unless approved by a majority of the Directors present at a meeting.

e. The Commission will adopt an official logo.

f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.

g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.

h. The Commission will contract at formation for support and administrative functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.

j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.

k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.

l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.

m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

2. Committees.

a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.

b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.

c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.

c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.

d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:

   i. Sue and be sued.

   ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members

f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:

   1. As provided in its bylaws, hold at least one meeting after due notice to all affected members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.

   2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.

g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.

h. Amend this Agreement by majority vote of the Members.

4. Finance.

a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.

b. The Commission will follow a July 1 to June 30 fiscal year.

c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.

e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.

f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.

g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

Article V. Membership Requirements; Remote Seller Sales Tax Code.

1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:

    a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.

2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:

    a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.

    b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. The Remote Seller Sales Tax Code is provided as "Addendum A".

3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.

4. The Member must provide notice of tax or boundary changes to the Commission and must

assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

Article VI. Sales Tax Collection and Administration.

1. Collection; Registration; Remittance.

a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand ($100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.

b. The Commission will remit and report to Members by the last business day of the month.

c. 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 adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.

d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

2. Returns; Confidentiality.

a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.

b. 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:

i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;

ii. The person supplying such returns, reports and information; or

iii. Persons authorized in writing by the person supplying such returns, reports and information.

3. Title; Penalty and Interest; Overpayment.

   a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.

   b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.

   c. Upon request from a buyer or remote seller 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 shall process the refund and amend any returns accordingly.

4. Audit; Compliance and Enforcement.

   a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.

   b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

Article VII. Entry into Force and Withdrawal.

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.

2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

Article VIII. Effect on Other Laws and Jurisdiction.

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code

changes or demonstrate parity or non-applicability.

2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.

3. Supersede or limit the jurisdiction of any court of the State of Alaska.

Article IX. Construction and Severability.

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.

Online Sales Tax – Background and FAQ

How did the June 2018 U.S. Supreme Court decision change the sales tax world?

The U.S. Supreme Court on June 21, 2018, upheld the state of South Dakota's right to require online sellers to collect and remit sales tax on orders delivered into the state. The 5-4 decision effectively overturned a Supreme Court decision from 1992 that went against the state of North Dakota. The 2018 case is South Dakota vs. Wayfair (a nationwide online retailer of furniture and home goods).

What were the issues in the court case?

In its ruling, the Supreme Court noted that the South Dakota Legislature had determined "that the inability to collect sales tax from remote sellers was 'seriously eroding the sales tax base' … causing revenue losses and imminent harm."

The court explained, "The central dispute is whether South Dakota may require remote sellers to collect and remit the tax without some additional connection to the state," such as an office or warehouse or employees. And although the 1992 decision against North Dakota commented that requiring remote sellers to collect and remit sales tax "might unduly burden interstate commerce" without such a physical or legal connection, called nexus, the court's 2018 decision found otherwise. "The administrative costs of compliance, especially in the modern economy with its Internet technology, are largely unrelated to whether a company happens to have a physical presence in a state," the Supreme Court said in its 2018 decision.

Allowing online sellers to avoid collecting sales taxes "has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state's consumers," the court added.

In its order, the Supreme Court said it overruled the 1992 decision because it was "unsound and incorrect."

Does the court decision require online sellers to collect sales tax?

No, it does not require online merchants of goods and services to do anything unless a state's sales and use tax is written to apply to online orders (remote merchants). If a state chooses not to extend its sales and use tax to online orders, the Supreme Court decision does not require merchants to voluntarily collect and remit the tax. The decision is up to each state.

Does the court decision apply to municipalities?

No, not exactly, not directly. The word "municipality" appears nowhere in the Supreme Court decision. The case, the briefings, the discussion and the order focused solely on state sales and use tax. But, the same reasoning, the same legal questions likely would apply to municipal sales taxes: Are they discriminatory against interstate commerce, do they pose an undue burden on interstate commerce, are they administered fairly to all parties. As Alaska is the only state that allows municipal sales taxes without an overriding set of rules in a state sales tax, Alaska is unique.

What are the challenges for Alaska municipalities?

Without a clearly defined set of legal standards in the court decision for municipalities, Alaska cities and boroughs have to make their best legally educated guess at what set of tax definitions, rules, exemptions and administrative procedures would be needed to replicate and adhere to the intent of the court opinion allowing taxation of online sales. Such as, no undue burden on interstate commerce, no retroactive taxation, and a system that standardizes tax rules to reduce administrative and compliance costs for remote merchants. There is no checklist of what will work or what is not allowed — Alaska municipalities will have to set their own trail.

What's the path forward for Alaska municipalities that want to collect taxes on online sales?

A coordinated approach is best. In fact, it's probably the only way to succeed. It's hard to imagine that a large, nationwide online merchant, a small remote seller — or a court, in the event of a legal challenge — would accept dozens of municipal codes, each with its own unique set of definitions, administrative rules, limits and exemptions as an acceptable system that standardizes taxes to reduce administrative and compliance costs. In fact, they have communicated that they wouldn't.

By working together, Alaska cities and boroughs stand the best chance of crafting a workable sales tax structure that serves local needs while establishing a legally secure path to collecting municipal taxes from online sales.

What is the Alaska Municipal League doing to help?

The Alaska Municipal League established a working group in 2018 to explore the best answers for bringing Alaska cities and boroughs into the world of collecting tax revenue from online sales. AML is looking into the legal issues, software and administrative costs, including the option of contracting with a third-party vendor with experience in state sales taxes to handle the collection and distribution of tax remittances from online merchants. AML has provided frequent updates on its progress to its members, with reports at the board meeting in Anchorage in May, the summer meeting in Soldotna in August, and a final review at the general membership meeting in Anchorage in November.

The idea is that AML would establish a cooperative effort — entirely optional for each Alaska municipality — to participate in a centralized online sales tax collection, administration and enforcement program. Municipalities that join and agree to adopt the required changes to their sales tax codes would benefit from the collective strength of presenting a unified approach to online merchants nationwide. Cities or boroughs that choose not to join still could try on their own to adopt and enforce sales taxes on online merchants.

State law allows Alaska municipalities to sign intergovernmental cooperating agreements — similar to mutual-aid pacts between fire departments. AML's legal review concluded that a cooperative tax administration and collection agreement essentially would be the same and would not require any state legislation.

Is there any guarantee that municipalities can force online sellers to collect the tax?

There is no guarantee that every online merchant will willingly collect and remit sales taxes to a centralized administration for Alaska municipalities. But the odds of success are much better than 100+ different sales tax administrations statewide.

ALASKA MUNICIPAL LEAGUE

The deciding factor may be how "homogenized" Alaska's cities and boroughs are willing to make their tax codes. The more the codes are the same, the better the argument that the municipalities are adhering to the standards the Supreme Court cited in its Wayfair decision.

"Nobody can give you an absolute legal answer" as to how far municipalities can stray from the intent and spirit of the Wayfair decision and still win if taken to court, the vice president and tax counsel for the National Retail Foundation told AML. Her advice: Go with the Streamlined Sales Tax Project's definitions

What is the Streamlined Sales Tax Project?

The Streamlined Sales Tax Project began in March 2000 with the goal "to find solutions for the complexity in state sales tax systems." It was, in great part, that complexity that led to the 1992 Supreme Court decision against North Dakota's efforts to require tax collections by remote merchants.

The result is the Streamlined Sales and Use Tax Agreement, which targets simplifying and modernizing sales and use tax administration to substantially reduce the burden of tax compliance. The agreement focuses on state-level administration of sales and use taxes; uniformity in each state's state and local tax bases; uniformity of major tax base definitions; central electronic registration for merchants; simplification of state and local tax rates; uniform sourcing rules for all taxable transactions (defining the point of the taxable transaction); and simplified administration of exemptions, tax returns and payments.

As of March 2019, 24 states had adopted the agreement. No federal law requires states to sign on for the Streamlined Sales Tax Project, but doing so makes it easier for states to capture maximum revenues from remote merchants.

The more that Alaska municipalities can follow the Streamlined Sales and Use Tax Agreement, the better the odds of success in achieving full compliance from online merchants. The AML working group on this topic have adopted to a large extent SSUTA definitions.

Can complexity lead to legal objections?

Yes, but it is unknown how much complexity would break the legal back of taxing online sales. In his dissenting opinion in the Wayfair case, Chief Justice John Roberts pointed to the complexity of sales tax laws nationwide. "Correctly calculating and remitting sales taxes on all e-commerce sales will likely prove baffling for many retailers. Over 10,000 jurisdictions levy sales taxes, each with different tax rates, different rules governing tax-exempt goods and services, (and) different product category definitions." He noted that New Jersey collects sales tax on yarn purchased for art projects but not on yarn made into sweaters. "Texas taxes sales of plain deodorant at 6.25 percent but imposes no tax on deodorant with antiperspirant." Illinois categorizes Twix bars as food and Snickers candy, and taxes them differently, the chief justice noted, only because Twix includes flour.

Why are Amazon and some merchants already collecting sales tax for Alaska municipalities?

Amazon has started collecting sales tax in several Alaska jurisdictions, though it appears that in most cases it is collecting tax only on Amazon's own goods and not on sales of third-party sales. A coordinated, AML-led approach would remedy this shortcoming by encouraging municipalities to change their codes to encompass all goods sold online, whether direct by the merchant or fulfillment by a third-party seller. A coordinated effort also would clarify which business is responsible for collecting and remitting the tax: The website that takes the order or the business that fills the order?

As of March 2019, Amazon had yet to register with all Alaska municipalities, and for most municipalities the online merchant's first sales tax returns are not due until a month after the end of the first quarter. After Amazon and other vendors file their first returns, Alaska municipalities will have a better sense of any enforcement issues.

There have been reports that Amazon is misapplying local taxes on some sales that should be tax-exempt. As it is now, each municipality has to contact Amazon individually — or any other online vendor — to educate the merchant on the details of their specific municipal tax code. A single online sales tax administrator for Alaska municipalities would improve the situation.

As to Amazon specifically, in a few cases the online retailer is collecting sales tax for deliveries in Alaska because it has a physical connection — a nexus — in that city or borough, such as an Amazon subsidiary or affiliate that does business in the municipality. Unless a municipal code is written as a sales and use tax, or otherwise specifically addresses online sales, merchants such as Amazon are not legally obligated to collect the city or borough sales tax.

How can online merchants determine which municipality gets the taxes?

One significant problem that Alaska municipalities must overcome is to construct a user-friendly online mapping system so that merchants can accurately determine the correct tax jurisdiction. Such as, a buyer may have a Soldotna ZIP code and mailing address but does not live within the city of Soldotna and believes they should not be liable for Soldotna city sales taxes. The same can be said for Interior residents with a North Pole mailing address. ZIP+4, unfortunately, does not always match municipal boundaries in Alaska, and therefore cannot be used for determining the tax jurisdictions. Other states and third-party contractors provide online mapping tools for sellers, and third-party vendors could help Alaska develop one that covers the entire state. In addition to creating the "tax look-up map" (as it is called in the state of Washington), Alaska municipalities would have to establish a system for keeping the map current with new subdivisions, new addresses for businesses and residences, annexations and such.

Can online vendors handle additional, specific sales taxes?

Yes, such as on alcohol or tobacco taxes, in addition to general sales taxes. Other states levy additional taxes on certain items, such as alcohol, and nothing in the Streamlined Sales Tax Project argues against such additional sales or excise taxes. The third-party vendors that offer administration software for states can accommodate such taxes.

What are some of the tax code decisions that AML research undertook?

<u>Taxation limits</u>

- Several Alaska municipalities have in place a limit on the amount of a single transaction subject to sales tax. For example, in Juneau the sales tax stops charging after a single transaction (an invoice, not a single item) reaches $12,000 (though there is no limit to taxation of jewelry). In the Kenai Peninsula Borough, the cap is $500. Alaska municipalities can maintain their disparate application of such "tax caps" and still have a reasonable chance of surviving a legal challenge should an online merchant want to contest the "undue burden" of navigating different tax limitations.

Point of taxation

- Alaska municipalities most certainly will need to define and adopt a common definition for the point of the taxation transaction, especially since this could affect the rate charged and where the tax is remitted. Such as, if a buyer receives the order at a post office in one city but takes it to their residence in another city, where did the taxable transaction occur, and which city gets the money? Where the item was delivered or where it was used? The same difficulty would apply to the online seller as it tries to determine the tax rate — it needs to know which address to check on the tax look-up map, the point of delivery or the residence of the buyer? The point of taxation as agreed to is the point of delivery.

Definitions

- Definitions should be consistent among participating municipalities for any tax-exemptions, such as food (taxed or not taxed, or divided between prepared and unprepared, and how to define those terms), sale-for-resale, purchases by senior citizens, manufacturing components, construction materials that will be incorporated into real property in the municipality, farming supplies, funeral supplies, medical equipment, over-the-counter drugs and medical items, sales to and/or by nonprofits, sales by government agencies. There is a document providing the Common Definitions for review.

Collection thresholds

- South Dakota sets a significantly higher minimum threshold for annual sales into the state by a remote merchant than for local businesses before the out-of-state business has to collect and remit sales taxes. Whatever Alaska municipalities decide needs to be consistent for all municipalities in the AML program. Otherwise, remote merchants could get caught up in a maze of different registration and reporting standards.
- For example, municipalities may want to exempt small-scale sellers from registering, collecting and remitting, such as businesses with less than $2,500 a year of sales into the jurisdiction. An example would be an online jewelry maker in New York that might sell $300 of goods into any one Alaska city in a year. How much do Alaska municipalities want to exempt occasional sellers from collecting sales tax? And should it be the same threshold for remote sellers as in-town businesses?
- The collection threshold has been set at $100,000 in annual transaction revenue or 100 annual transaction statewide.

Alaska Intergovernmental
Remote Seller
Sales Tax Agreement

FINAL

October 11, 2019

Alaska Intergovernmental Remote Seller Sales Tax Agreement

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

Article I. Background Principles.

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.

2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.

3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.

4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.

5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

Article II. Purpose.

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;

2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and

3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

Article III. Definitions.

As used in this Agreement:

1. "Commission" means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.

2. "Local Government" means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.

3. "Member" means a Local Government signatory to this Agreement.

4. "Remote seller" means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.

5. "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.

6. "Marketplace facilitator" means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's products or services (excluding lodging and rentals) 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 seller;

        ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;

        iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the 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;

    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.

Article IV. The Commission.

1. Organization and Management.

a. The Alaska Remote Seller Sales Tax Commission (the "Commission") is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member's behalf.

b. Each Member will be entitled to one vote.

c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.

d. No action will be binding unless approved by a majority of the Directors present at a meeting.

e. The Commission will adopt an official logo.

f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.

g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.

h. The Commission will contract at formation for support and administrative functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.

j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.

k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.

l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.

m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

2. Committees.

a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.

b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.

c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.

c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.

d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:

   i. Sue and be sued.

   ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members

f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:

   1. As provided in its bylaws, hold at least one meeting after due notice to all affected members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.

   2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.

g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.

h. Amend this Agreement by majority vote of the Members.

4. <u>Finance.</u>

   a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.

   b. The Commission will follow a July 1 to June 30 fiscal year.

   c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.

e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.

f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.

g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

Article V. Membership Requirements; Remote Seller Sales Tax Code.

1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:

    a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.

2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:

    a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.

    b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. The Remote Seller Sales Tax Code is provided as "Addendum A".

3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.

4. The Member must provide notice of tax or boundary changes to the Commission and must

assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

Article VI. Sales Tax Collection and Administration.

1. Collection; Registration; Remittance.

a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand ($100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.

b. The Commission will remit and report to Members by the last business day of the month.

c. 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 adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.

d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

2. Returns; Confidentiality.

a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.

b. 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:

i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;

ii. The person supplying such returns, reports and information; or

iii. Persons authorized in writing by the person supplying such returns, reports and information.

3. Title; Penalty and Interest; Overpayment.

    a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.

    b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.

    c. Upon request from a buyer or remote seller 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 shall process the refund and amend any returns accordingly.

4. Audit; Compliance and Enforcement.

    a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.

    b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

Article VII. Entry into Force and Withdrawal.

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.

2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

Article VIII. Effect on Other Laws and Jurisdiction.

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code

changes or demonstrate parity or non-applicability.

2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.

3. Supersede or limit the jurisdiction of any court of the State of Alaska.

Article IX. Construction and Severability.

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.

Bylaws
of the
Alaska Remote Sales Tax Commission

Article I - Offices

Section 1. Registered Office

A registered office will be maintained by the Commission in the State of Alaska at One Sealaska Plaza, Suite 200, Juneau, AK 99801, or at such location as the Board of Directors designates.

Section 2. Other Offices

The Commission also may have offices at such other places as the Board of Directors determines or the business of the Commission may require.

Article II – Membership

Section 1. Qualifications

A. To obtain and retain full membership, the legislative body of an Alaska municipality must submit either an Ordinance or Resolution requesting membership. The Ordinance or Resolution must address the following:
   1. Designation of individual at the municipality that may execute all binding documents on behalf of the municipality;
   2. Acknowledgment and agreement to follow and be bound by the Remote Sellers Sales Tax Code and the By-Laws of the Commission;
   3. Delegation of remote seller sales tax registration, collection, remittance, audit and collection authority to the Commission;
   4. Agreement to provide the Commission with notices of any changes to the Municipality's Sales Tax Code;
   5. Agreement to provide the Commission with notice of any boundary changes for the Municipality; and
   6. Agreement to cooperate in development of a joint database and mapping.

B. To retain full membership status, a member must adopt, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers.

Section 2. Privileges.

A. Voting. Members may vote.
B. Holding Office. Members may hold office.
C. Committees. Members may serve on a committee.

Section 3. Dues or fees

A. Annual dues or fees for all members shall be fixed by the Board. Dues or fees shall become due and payable November 1 and are delinquent if not postmarked or submitted electronically by December 31. Dues or fees will be billed by and remitted directly to the Executive Office of the Commission.

B. Dues for a new member joining after August 1 shall be credited to the following year. Members whose dues are not paid by December 31 will be considered delinquent and ineligible to participate in the activities of the Commission, to include casting a vote, until the delinquency is corrected.

C. Membership belongs to the individual municipality and may not be transferred.

Section 4. Revocation of Membership.

A. Membership shall be revoked immediately upon the resignation of a member.

B. A member whose dues are not paid by January 25 shall have their membership revoked.

Section 5. Membership by Alaska Municipal League

The Alaska Municipal League (AML) shall be given two (2) memberships annually at no charge. Those persons designated or approved by AML to serve as members, shall have all of the same rights and privileges as any member in good standing, including the right to vote, run for office and/or serve on a committee.

ARTICLE III - MEETINGS

Section 1. Annual Meetings.

Each year, the Commission shall hold an annual meeting of members on such date and on such time as shall be determined by the Board of Directors, at which meeting the members shall elect a Board of Directors and transact any other business as may properly be brought before the meeting.

Section 2. Location of Meetings.

Meetings of members shall be held at such place as determined by the Board of Directors. Meetings shall rotate annually between member jurisdictions, as possible.

Section 3. Special Meetings.

Special meetings of the members may be called at any time by the President or the Board of Directors, or members holding not less than ten percent (10%) of all the votes entitled to be cast at such meeting. Business transacted at any special meeting shall be confined to the purpose or purposes set forth in the notice of the special meeting.

Section 4. Notice of Meetings.

Whenever members are required to or permitted to take action at a meeting, a Written notice of the meeting shall be provided to each member of record entitled to vote at or entitled to notice of the meeting. The written notice shall state the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided for by law, written notice of any meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting to each member entitled to vote at such meeting.

Section 5. Written Notice Defined.

Written notice shall be accomplished via first class mail or via email sent to the address or email address last provided by the member.

Section 6. Quorums and Adjournments.

Members may take action on a matter at a meeting only if a quorum exists with respect to that matter. Except as otherwise provided by law, a majority of the outstanding members of the Commission entitled to vote shall constitute a quorum at a meeting of the members. Once a member is represented at a meeting (other than solely to object to the holding of the meeting), the member is deemed present for quorum purposes for the remainder of the meeting and the members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient members to leave less than a quorum. The holders of a majority of the outstanding members represented at a meeting, whether or not a quorum is present, may adjourn the meeting from time to time.

Section 7. Voting.

If a quorum exists, action on a matter (other than the election of directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action. Directors shall be elected by a plurality of the votes cast by the members entitled to vote in the election (provided a quorum exists). Unless otherwise provided by law, each member shall be entitled to one vote on each matter.

Section 8. List of Members.

The Secretary of the Board of Directors shall prepare and make, at least ten (10) days before any meeting of the members, a complete list of the members entitled to vote at the meeting, arranged alphabetically, and showing the address of each member. The list shall be open to the examination of any member for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days before the meeting, either at a place in the city where the meeting is to be held, which place must be specified in the notice of the meeting, or at the principal offices of the Board of Directors. The list shall also be produced and kept available at the time and place of the meeting, for the entire duration of the meeting, and may be inspected by any member present at the meeting.

Section 9. Consent in Lieu of Meetings.

Any action required to be taken or which may be taken at any meeting of the members, whether annually or special, may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes necessary to take such action at a meeting at which all members entitled to vote were present and voted. The action must be evidenced by one or more written consents, describing the action taken, signed and dated by the members entitled to take action without a meeting, and delivered to the Commission at its registered office.

No consent shall be effective to take the Commission action referred to in the consent unless the number of consents required to take action are delivered to the Commission or to the Secretary within sixty (60) calendar days of the delivery of the earliest-dated consent.

No Prompt notice of the taking of the Commission action without a meeting by less than unanimous vote shall be given to those members who did not consent in writing.

Section 10. Meeting by Conference Call or Electronic Media.

One or more members may participate in a meeting of the members by means of a conference telephone, videoconferencing, or similar communications equipment by means of which all persons participating in the meeting can hear (and potentially see) each other. Participation in this manner shall constitute presence in person at such meeting.

For meetings held exclusively via conference call or electronic media, the following procedure must be followed: (1) notice to members of the time and locations where the meeting will be held by electronic media has been given in the same manner as if the meeting were held in a single location; (2) members in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and (3) copies of pertinent reference materials, statutes, regulations and audio-visual materials are reasonably available to the members. A meeting by electronic media as provided in this Section 7 has the same legal effect as a meeting in person.

Section 11. Alaska Open Meetings Law.

All annual and special meetings of the members of the Commission, all regular and special meetings of the Board of Directors and all meetings of committees of the Board of Directors, if any, will be conducted in accordance with the Alaska open meetings law found at AS 44.62.310.

ARTICLE IV - DIRECTORS

Section 1. Powers.

The business and affairs of the Commission will be managed under the direction of, the Board of Directors of the Commission, which may exercise all such powers of the Commission and do all lawful acts and things, subject to any limitations set forth in these Bylaws or under Alaska Statutes.

Section 2. Number. Qualifications and Election.

The number of directors shall be set at seven (7). Each director shall be at least 21 years of age. Board members must be an employee or elected official of a member entity with an active membership. The directors shall be elected by the members at the annual meeting by the vote of the members eligible to vote. Each director shall be elected for a term of two (2) years, and until his or her successor shall be elected and shall qualify or until his or her earlier resignation or removal.

A. Initial Election - Term. Upon inception of the Board of Directors, all members eligible to vote shall vote for the Board of Directors. The person who receives the greatest number of votes shall serve as the President. The three (3) members receiving the next three highest votes shall serve a term of two (2) years. The remaining three (3) vote-getters shall serve a term of only one (1) year. Thereafter, all vacancies shall be for a two (2) year term.

Section 3. Nomination of Directors

The Board of Directors may nominate candidates to stand for election as directors. Other candidates may also be nominated by any member of the Commission provided such nomination is submitted in writing to the Commission's Secretary at least thirty (30) calendar days prior to the annual meeting.

Section 4. Vacancies.

Except as otherwise provided by law, any vacancy in the Board of Directors occurring by reason of an increase in an authorized number of directors or by reason of death, withdrawal, removal, disqualification, inability to act, or resignation of a director shall be filled by a majority of directors then in office. The successor shall serve the unexpired portion of the term of his or her predecessor. Any director may resign at any time by giving written notice to the Board or the Secretary.

A. Process for Filling Vacancy.
   1. The Secretary shall prepare a notice of vacancy stating that a vacancy has occurred and advising interested members as to the procedure for the filling of the vacancy.
   2. Eligible members will have thirty (30) calendar days to submit nominations. Nominations shall include a letter of interest describing the nominees interest to serve on the Board. The person submitting a letter of interest to fill a vacant board position may attach any relevant information such as a resume to his or her letter of interest.
   3. The Board of Directors will meet and nominate a qualified person to fill the vacant seat. If there is not a qualified person who submitted a letter of interest to fill the vacant board seat, the Board may nominate a qualified person who has not applied for the vacant board seat. Nominations for the vacant seat shall be made by motion approved by the Board. Once all nominations are made, Board members shall cast votes simultaneously by written ballot for persons nominated. All the ballots will be collected by the Secretary who shall announce the vote of each Board member. The person who receives a majority of the votes shall fill the vacant seat.

Section 5. Compensation.

The Board of Directors shall have the authority to fix the compensation of Directors. A fixed sum and expenses of attendance may be allowed for attendance at each regular and special meeting of the Board. No such payment shall preclude any director from serving the Commission in any other capacity and receiving compensation therefor.

Section 6. Removal of Directors.

Any director or the entire Board of Directors may be removed, with or without cause, by a majority of the members eligible to vote.

Section 7. Resignation.

Any director may resign at any time by giving notice to the Board or the Secretary. Any such resignation will take effect upon receipt of such notice or at any later time specified in the notice. The acceptance of such resignation will not be necessary to make it effective, provided that the Board of Directors may reject any postdated resignation by notice in writing to the resigning director.

ARTICLE V - OFFICERS

Section 1. Positions.

The officers of the Commission shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time appoint, and such other officers it deems advisable. Each such officer shall exercise such powers and perform such duties as shall be set forth herein and such other powers and duties as may be specified from time to time by the Board of Directors. The officers of the Commission shall be elected by the members. Each of the President and/or the Vice President may execute bonds, mortgages, and other documents under the seal of the Commission, except where required or permitted by law to be otherwise executed and except where execution thereof shall be expressly delegated by the Board to some other officer or agent of the Commission.

Section 2. President.

The President shall:

A. Preside at all meetings;
B. Be chair of the Board of Directors;
C. be an ex-officio member of all committees;
D. In the event of a vacancy in a committee chairmanship, have the power to appoint a chairperson from among the members of the committee in which the vacancy occurs or from the General membership;
E. Appoint, subject to the approval of the Board of Directors, committee members to fill vacancies during the year;
F. Call meetings of the Board of Directors;
G. Arrange with the treasurer for the auditing of the account books by authorized persons (this should be performed by a person with accounting expertise, preferably an independent public accountant or CPA);
H. Have the general powers and duties of management and supervision usually vested in the office of President of a corporation. The President will be responsible for carrying out policy directives of the Board of Directors
I. Perform all other duties as are incident to the office or are properly required of the President by the Board of Directors.

Section 3. Vice President.

The Vice President shall:

A. Assist the president throughout the year;
B. Assume the duties of the president in the latter’s absence;

C. Succeed to the office of president in the event of a temporary vacancy in the office or the president’s inability to perform the duties of office;
D. Be available to the president upon the request for assistance.

Section 4. Secretary.

The Secretary shall:

A. Keep the minutes of all regular and special meetings of the general membership and the Board of Directors;
B. Record all the votes of the Commission and the minutes of all its transactions in a book to be kept for that purpose;
C. Provide the president with a copy of the minutes within ten (10) business days after the meeting;
D. Conduct such correspondence as shall be requested by the president, Board of Directors or the general membership;
E. Be custodian of all records except financial records and committee reports;
F. Give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors

Section 5. Treasurer.

The Treasurer shall oversee the custody of the funds and securities of the Commission. The Treasurer shall:

A. Be maintain oversight of all monies of the Commission and the due payment of all authorized obligations;
B. Ensure the filing of any necessary tax documents;
C. Submit and review and annual treasurer’s report to the Board and general membership at the annual meeting;
D. Submit other treasurer’s reports as requested by the Board of Directors;
E. Prepare an annual budget for upcoming year and present it at an annual conference meeting;
F. Be custodian of all financial records;
G. Maintain the list of all eligible voting members and make the list available upon reasonable request.

ARTICLE VI – COMMITTEES

Section 1. There shall be standing and special committees.

Section 2. The standing committees shall be Conferences/Meetings, Membership, Code, and Budget and Finance.

Section 3. Special committees are appointed by the President for a special function or task and will remain active until their function is completed and/or they are dissolved upon the completion of their responsibility.

Section 4. The chairman of the standing committees shall be appointed by the President for a one-year term. Any active member is eligible to serve.

Section 5. Membership in the committee is open to any person employed by an active member.

ARTICLE VII – FINANCES

Section 1. Duty of Care.

The assets and reporting to be administered through the Administration, its officers, Directors, employees and agents will be done with the same care, skill, prudence and diligence under the circumstances then prevailing that a tax authority would use in the conduct of an enterprise of a like character and with like aims.

Section 2. Budget.

The Budget and Finance Committee shall prepare a budget for the ensuing year for approval by the Board of Directors. The budget as approved by the Board shall be provided to the General Membership for its information.

Section 3. Fiscal Year.

The fiscal year for the Commission shall be from July 1 to June 30.

Section 4. Checks, Drafts.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Commission, will be signed or endorsed by such person or persons and in such manner as determined by resolution of the Board of Directors.

Section 5. Annual Audit.

The accounts of the Commission shall be audited annually by an independent public accountant or CPA.

ARTICLE VIII - CERTIFICATES

Section 1. Form of Certificates.

Certificates for membership in the Commission will be in such form (not inconsistent with the Agreement or applicable law) as approved by the Board of Directors and will be numbered and entered in the membership books of the Commission as they are issued. Every certificate for membership will be signed by the President or a Vice President and by the Secretary or designee.

Section 2. Membership Registrars.

The Board of Directors may, from time to time, appoint one or more registrars for memberships in the Commission who will have such powers and duties as the Board of Directors will specify.

Section 3. Presumption of Membership.

The Commission will be entitled to treat the holder of record of any certificate for membership as the holder in fact of that certificate authorizing the holder to vote as such member and, accordingly, will not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person, whether or not the Commission will have express or other notice thereof, except as expressly provided by applicable law.

Section 4. Membership without Certificates.

Notwithstanding the provisions of Sections 1 through 3 of this Article VIII, the Board of Directors may, by resolution, authorize the issuance without certificates of some or all of the memberships in the Commission. The authorization does not affect memberships that are already represented by certificates until the certificates are surrendered to the Commission.

ARTICLE IX - BOOKS AND RECORDS

Section 1. Correct and Complete, Inspection.

A. The Commission will keep correct and complete books and records of account and will keep minutes of the proceedings of its members, the Board of Directors, and committees appointed by the board, if any.
B. All books and records of the Commission may be inspected by any member or its agent or attorney for any proper purpose at any time during normal business hours at the registered office of the Commission.

Section 2. List of Members Entitled to Vote.

The Commission will keep at its registered office a record of the names and addresses of members entitled to vote.

Section 3. Alaska Open Meetings Law.

All annual and special meetings of the members of the Commission, all regular and special meetings of the Board of Directors and all meetings of committees of the Board of Directors, if any, will be conducted in accordance with the Alaska open meetings law found at AS 44.62.310.

ARTICLE X - ADMINISTRATIVE STRUCTURE

Section 1. Executive Director, Staffing.

A. The day-to-day operations of the Commission will be carried out by an Executive Director under the supervision of the President of the Commission. The Executive Director will carry out other tasks as assigned by the President of the Commission. The position of Executive Director of the Commission will be filled by the executive director of the Alaska Municipal League.
B. The Executive Director of the Commission will be supported by staff of the Alaska Municipal League and such other staff as the Board of Directors may by resolution approve.

C. The Commission will share office space and office equipment and furniture with the Alaska Municipal League in the existing offices of the Alaska Municipal League at One Sealaska Plaza, Suite 200 in Juneau, Alaska, or such other offices which the Alaska Municipal League may acquire or lease, and such other office space and office equipment and furniture as the Board of Directors may by resolution approve.

D. The Commission will enter into agreements with the Alaska Municipal League and as adopted by the Board of Directors setting forth the terms and conditions for the implementation of and compliance with the provisions of (a), (b) and (c) of this Section 1 including but not limited to the following:
   1. The sharing of time and payment therefor of the individual who will be the Executive Director of the Commission and the Executive Director of the Alaska Municipal League;
   2. The sharing of time and payment therefor of the individuals who will be the staff of the Commission and the staff of the Alaska Municipal League;
   3. The sharing of office space and office equipment and furniture with the Alaska Municipal League and the payment therefor; and
   4. The providing of general office administrative services, and the payment therefor, by the Alaska Municipal League to the Commission not otherwise provided by a contractor or adviser.

Section 2. Use of Name, Marketing.

A. The Alaska Municipal League will do the following:
   1. Assist in dissemination of information to the membership of the Alaska Municipal League and all municipalities in Alaska pertaining to the tax administration services of the Commission, prepare and publish articles in its publications on those services, arrange for meetings between its members and any contractor retained by the Commission and otherwise assist in apprising the members of the Alaska Municipal League and others of the services of the Commission.

Section 3. Fee for services.

In return for the ongoing services of the Alaska Municipal League as set forth in Sections 1 and 2 of this Article X and for the partnership with the Alaska Municipal League, the Commission will annually set a fee structure for all direct and indirect costs of the League. It is permissible for earnings from sales tax revenue while held by the Alaska Municipal League be used by the Commission to offset payment by members. Any earnings beyond those agreed to in the annual budget shall be returned to members on a pro rata basis or held in a stabilization fund. The annual budget will be established by the Board of Directors, by resolution.

ARTICLE XI – GENERAL PROVISIONS

Section 1. Indemnification.

The Commission will defend, indemnify and hold harmless each director, officer and employee of the Commission for expenses, including attorney's fees, and the amount of any judgment, money decree, fine, penalty or settlement for which he or she may become liable by reason of his or her being or having been a director, officer or employee of the Commission or who exercises powers or performs duties for the Commission.

Notwithstanding the foregoing, no indemnification shall be made by the Commission if judgment or other final determination establishes that the potential indemnitee's acts were committed in bad faith or were the result of active or deliberate fraud or dishonesty or clear and gross negligence.

Section 2. Insurance.

The Commission shall purchase and maintain insurance in a reasonable amount on behalf of any person who is or was a director, officer, agent, or employee of the Commission against liability asserted against or incurred by such person in such capacity or arising from such person's status as such.

Section 3. Correct and Complete, Inspection.

a. The Commission will keep correct and complete books and records of account and will keep minutes of the proceedings of its members, the Board of Directors, and committees appointed by the board, if any.
b. All books and records of the Commission may be inspected by any member or its agent or attorney for any proper purpose at any time during normal business hours at the registered office of the Commission in Alaska.

Section 4. Roberts Rules

The rules contained in Robert's Rules of Order, Newly Revised shall govern the Commission in all cases to which they are applicable.

Section 5. Headings

The headings contained in these Bylaws are for convenience only and will not in any way affect the meaning or interpretation of these Bylaws.

ARTICLE XII – AMENDMENTS TO BYLAWS

Section 1.

These Bylaws may be amended at any meeting of the General Membership by a two-thirds (2/3) vote provided that the proposed amendments shall have been submitted in writing to the voting members at least thirty (30) calendar days prior to the meeting of the General Membership at which they will be considered.

Section 2.

These Bylaws may be amended at the annual meeting of the General Membership without previous vote by the unanimous vote of the voting body.

Section 3. Recordation

Whenever action is taken to amend or alter the Bylaws or adopt a new Bylaw, a copy of the amendment, alteration or new Bylaw will be filed and kept in the minute book with the original Bylaws. If any Bylaw is repealed, the fact of such repeal and the date on which it occurred will be recorded in the minute book, and a copy of it will be placed next to the original Bylaws.

ARTICLE XIII - DISSOLUTION

Section 1.

In the event of dissolution of the Commission, upon payment of all outstanding obligations, all of the assets shall be distributed evenly among those members who were active, in good standing and qualified to vote at the last General Membership meeting.

Section 2.

It shall be the responsibility of the President and the Treasurer to complete all necessary federal and state forms upon dissolution. Copies of those forms will be sent to the Alaska Municipal League (AML) office.

I, the undersigned being the Secretary of the Alaska Municipal Sales Tax Administration hereby certify the foregoing to be the Bylaws of the Commission, as adopted by the Board of Directors, on the 21st day of November 2019.

ADDENDUM A
REMOTE SELLER SALES TAX CODE & COMMON DEFINITIONS

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska, is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because, and sales tax revenues are the primary source of funding for services provided by local governments; and

WHEREAS, the failure to collect sales tax on remote sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the taxing jurisdictions but still sell goods and services to consumers, which becomes easier and more prevalent as technology advances; and

WHEREAS, the failure to tax remote sales results in the creation of incentives for businesses to avoid a physical presence in the state and its respective communities, resulting in less jobs and increasing the share of taxes to those consumers who buy from competitors with a physical presence in the state and its cities; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy as well as local infrastructure; and

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

WHEREAS, due to a recent decision by the United States Supreme Court and the lack of a state sales tax it is appropriate for the municipalities to collectively amend their sales tax code to account for remote sellers who do not have a physical presence either in the State of Alaska or in a specific taxing jurisdiction, but do have a taxable connection with the State of Alaska or taxing jurisdiction; and

WHEREAS, this ordinance is not retroactive in its application; and

WHEREAS, amending local sales tax codes reflects recent changes to federal law to allow for the application of the taxing jurisdiction’s sales tax code requirements to sellers without a physical presence in the State of Alaska or taxing jurisdiction and

WHEREAS, the intent is to levy municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, the [insert name of municipality] agrees to enter into a cooperative agreement with other local governments called the Alaska Intergovernmental Remote Seller Sales Tax Agreement (‘the Agreement”); and

WHEREAS, the terms of the Agreement require adoption of certain uniform provisions for collection and remittance of municipal sales tax applicable to sales made by remote sellers.

NOW, THEREFORE, it is ordained as follows:

Chapter **__** of the [fill in name] Code of Ordinances is hereby amended by adopting a new Chapter **__** to read as follows:

Sales Made by Remote Sellers: The Alaska Remote Sellers Sales Tax Code is an ordinance prepared by the Alaska Remote Seller Sales Tax Commission and hereby adopted by reference.

ALASKA REMOTE SELLER SALES TAX CODE

XX.XX.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 (except for lodging and rentals), delivering products or services to municipalities adopting this Code.

XX.XX.020 – Title to Collected Sales Tax

Upon collection by the remote seller, title to sales tax vests in the Commission for remittance to the taxing jurisdiction. The remote seller 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.

XX.XX.030 – Imposition – Rate

A. To the fullest extent permitted by law, a sales tax is levied and assessed on all retail sales, on all sales and services made by remote sellers where delivery is made within a local taxing jurisdiction anywhere within the State of Alaska.
B. The tax rate added to the sale price shall be the tax rate for the taxing jurisdiction where the property sold or service rendered is received.
C. An Address/Tax Rate Database will be made available to remote sellers, indicating the appropriate tax rate to be applied.
D. The applicable tax rate shall be added to the sales price.
E. When a sale is made on an installment basis, the sales tax shall be collected at the time of the sale, calculated at the sales tax rate in effect at the time of the sale.

XX.XX.040. – Obligation to Collect Tax - Threshold Criteria—

Any seller who does not have a physical presence in the taxing jurisdiction, or marketplace facilitator, selling property or services rendered within or delivered to the taxing jurisdiction shall collect and remit sales tax in compliance with all applicable procedures and requirements of law as if the seller had a physical presence in the taxing jurisdiction, provided the seller has met one of the following criteria (the "Threshold Criteria" or economic nexus) in the previous calendar year or the current calendar year:

1. The seller's annual statewide gross revenue, or seller's marketplace facilitator's annual statewide gross revenue, from the sale(s) of property, product or services delivered into the state meets or exceeds one hundred thousand dollars; or
2. The seller, or seller's marketplace facilitator, sold property, products, or services delivered into the state in one hundred or more separate transactions.

For purposes of determining whether the Threshold Criteria are met, sellers shall include all gross revenue, including sales made through a Marketplace Facilitator.

XX.XX.050. – No Retroactive Application
The obligations to collect and remit sales tax required by this chapter are applicable at the effective date of the Alaska Remote Seller Sales Tax Code.

XX.XX.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 or service, or with respect to credit transactions, at the time of collection. It shall be the duty of each remote seller making taxable sales or providing taxable services to collect the taxes from the buyer and to hold those taxes in trust for the taxing authority. Failure by the remote seller to collect the tax shall not affect the remote seller's responsibility for payment to the Commission.

XX.XX.070 – Remote Seller Registration Requirement
If a seller's or a seller's marketplace facilitator's gross statewide sales from the previous calendar year or the current calendar year meets or exceeds the Threshold Criteria set by Section XX.XX.040, the seller shall register with the Commission.

A. A remote seller meeting the Threshold Criteria shall apply for a certificate of sales tax registration within twenty (20) calendar days of the effective date of this Remote Seller Sales Tax Code or within twenty (20) calendar days of meeting the Threshold Criteria whichever occurs second. Registration shall be to the Commission on forms prescribed by the Commission.
B. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. The failure of the Commission to issue a certificate of registration does not relieve the seller of its duty to collect and remit sales tax.
C. Each business entity shall have a sales tax registration under the advertised name.
D. The sales tax certificate is non-assignable and non-transferable.

XX.XX.80.-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.* Filing of sales tax returns are due monthly or quarterly.
C. *Filing to be Continuous.* A remote seller who has filed a sales tax return will be presumed to be making sales in successive periods unless the remote seller files a return showing a termination or sale of the business in accordance with Section XX.XX.190.
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 time by the deadline indicated herein:

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 or federal or state holiday, the due date will be extended until the next business day immediately following.
F. Any remote seller 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 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 intends to cease doing business, a final return shall be filed along with a statement of business closure.
G. The remote seller shall prepare the return and remit sales tax to the Commission on the same basis, cash or accrual, which the remote seller uses in preparing its federal income tax return. The remote seller shall sign the return, and transmit the return, with the amount of sales tax that it shows to be due, to the Commission.
H. Remote sellers failing to comply with the provisions of this Code shall, if required by the Commission, 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 monthly or quarterly filing status.
I. Sales tax returns shall be accompanied by proof as to claimed exemptions or exceptions from tax herein imposed. This proof shall be reviewed and deemed satisfactory by the Commission. In the absence of proof, the claimed exemptions or exceptions from tax shall be disallowed and therefore deemed taxable. The burden of establishing any tax exemption is upon the preparer.
J. 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.

XX.XX.90.- Estimated Tax

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

D. The Commission shall notify the remote seller, in writing, that the Commission has estimated the amount of sales tax that is due from the remote seller. The Commission shall serve the notice on the remote seller by delivering the notice to the remote seller's place of business, or by mailing the notice by certified mail, return receipt requested, to the remote seller's last known mailing address. A remote seller 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 shall become a final determination of the amount that is due unless the remote seller, 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 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 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.

XX.XX.100.-Returns – filing contents

A. Every seller required by this chapter to collect sales tax shall file with the Commission upon forms furnished by it 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. Such other information as may be required by the Commission.
B. Each tax return remitted by a remote seller shall be signed 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 that a return has been rejected,

including the reason for the rejection.

XX.XX.110 – Refunds

A. Upon request from a buyer or remote seller 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 shall process the refund and amend any returns accordingly.
B. If the claimant is a remote seller, and the tax refund is owed to any buyer, the remote seller submits, and the Commission approves, a refund plan to all affected buyers.

X XX.XX.120. – Amended Returns

A. A remote seller 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 provides a written justification for requesting approval of the amended return; and
   iii. The remote seller agrees to submit to an audit upon request of the Commission.
B. The Commission shall notify the remote seller in writing whether it accepts or rejects an amended return, including the reasons for any rejection.
C. The Commission may adjust a return for a remote seller 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.

XX.XX.130. – Extension of Time to File Tax Return

Upon written application of a seller, 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 seller's control, the seller 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 seller;
3. The remote seller has a plan to cure the problem that caused the seller to apply for an extension and the remote seller agrees to proceed with diligence to cure the problem;
4. At the time of the application, the remote seller 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.

XX.XX.140 – Audits

A. Any remote seller who has established a sales tax account 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 in order to determine whether appropriate amounts of sales tax revenue have been collected by the seller 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 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 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 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 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 seller at any reasonable hour on the premises of the remote seller and may require the attendance of any officer or employee of the remote seller. Upon written demand by the Commission, the remote seller 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 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 to comply therewith.

H. Any remote seller 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 resulting from a remote seller’s failure to accurately report sales and taxes due thereupon, the remote seller 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.

XX.XX.150.- Audit protest

A. If the remote seller wishes to dispute the amount of the estimate, or the results of an

examination or audit, the remote seller must file a written protest with the Commission, within 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 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 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, either on its own or upon request of the remote seller, and may also require that the remote seller 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 protest and mail a copy of the determination to the remote seller.
D. If a written protest is not filed within 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.

XX.XX.160. – Penalties and Interest for Late Filing

A. A late filing fee of twenty-file dollars ($25) per quarter or partial 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 twenty percent (20%). The penalty does not bear interest.
D. Penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected.
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 accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the remote seller to the Commission [and taxing jurisdiction], within forty-five (45) calendar days after the date of delinquency. A remote seller may not be granted more than one (1) waiver of penalty under this subjection in any one calendar year. The Commission shall report such waivers of penalty to the taxing jurisdiction, in writing.

XX.XX.170 – Repayment Plans

A. The Commission may agree to enter into a repayment plan with a delinquent remote seller. No repayment plan shall be valid unless agreed to by both parties in writing.
B. A remote seller shall not be eligible to enter into a repayment plan with the Commission if the remote seller 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 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 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 (15%) percent 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 is a corporation or a limited liability entity the remote seller agrees to provide a personal guarantee of the obligations under the repayment plan.

v. The remote seller agrees to pay all future tax bills in accordance with the provisions of this chapter.

vi. The remote seller 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 shall be responsible for the cost of recording the tax lien.

D. If a remote seller fails to pay two (2) or more payments as required by the repayment plan agreement, the remote seller 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 a notice of default. The Commission may immediately foreclose on the sales tax lien or take any other remedy available under the law.

XX.XX.180. – Remote Seller Record Retention

Remote sellers engaged in activity subject to this chapter 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 is obliged to collect. Remote sellers 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 seller was obliged to collect under this chapter.

XX.XX.190. Cessation or Transfer of Business

A. A remote seller 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 shall send to the Commission, by approved communication (email confirmation, certified first-class mail, postage prepaid) a notice that the remote seller'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 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 the sales tax code with this section highlighted.

E. Neither the Commissioner'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 said notice, the Commission shall have sixty (60) days in which to perform a final sales tax audit and assess sales tax liability against the remote 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 later 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 in a business required to collect the tax under this chapter assumes the liability of the remote seller for all taxes due the Commission [taxing jurisdiction], 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 as of the date of the transfer, and shall withhold that amount from the consideration payable for the transfer, until the remote seller 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 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 (50) percent of the ownership interest in a remote seller that is a corporation, limited liability company or partnership; or
   2. A sale of substantially all the assets used in the business of the remote seller; or
   3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the remote seller'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 said 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 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 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.

XX.XX.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 and/or in 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 is disclosed.

E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, of a copy of any return or report filed by him, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers or sellers, 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 agent of any remote seller 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 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 seller 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 registered owner 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.

XX.XX.210 – Violations

A. A remote seller 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 liability or to collect the sales tax, including, without limitation, reviewing and auditing the remote seller'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 believed to meet the criteria of [XX.XX.040] 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 where the remote seller has:
   1. Failed to file sales tax returns for two consecutive filing periods as required by the Code; or
   2. Failed within 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.

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 under XX.XX.XX.
   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.

XX.XX.220 – Penalties for Violations

A. A buyer or remote seller 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 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 three hundred dollars ($500).
D. Any remote seller who fails to file a return required under this chapter within fifteen (15) calendar days of the due date, 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, and fifty dollars ($50) for each subsequent sales tax return not timely filed within a one- (1-) year period thereafter. The filing of an incomplete return shall be treated as the filing of no return.
E. A remote seller 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 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. The Commission may also recover attorney's fees in any action against a delinquent seller.

XX.XX.230. – Remote Sellers with a physical presence in the taxing jurisdiction.
Sellers with a physical presence in the taxing jurisdiction shall report, remit, and comply with standards, including audit authority, promulgated by this chapter to the taxing jurisdiction. This section applies to all sellers with a physical presence in the taxing jurisdiction even if the seller also has taxable remote sales. If the seller with a physical presence and also remote sales delivers products or services to a buyer outside that taxing jurisdiction, the seller shall file with the Commission. If the seller does not have a physical presence, then the return for the remote sales shall be filed with the Commission.

XX.XX.240. – Definitions

Note: Adoption of definitions does not compel 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. 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].

"**Alcoholic beverages"** means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume.

"Booking Commissions" means monies received from contracted or subcontracted guides, and lodging or other services sold as components of a recreational package.

"Buyer" means a person to whom a sale of personal property is made or to whom a service is furnished (see purchaser).

“Commission” means the Alaska Intergovernmental Remote Sales Tax Commission established by Agreement between local government taxing jurisdictions within Alaska, and delegated tax collection authority.

“**Common carrier” means** an individual or a company, which is in the regular business of transporting freight for hire. This is distinguished from a private carrier which transports its own goods and equipment, and makes deliveries of goods sold to its customers.

“**Computer**” means an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions.

“**Computer Software**” means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

“**Construction materials**” means materials, goods, components, fixtures or other items that are incorporated into the construction of real property and become a permanent component of that real property.

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

“**Delivery charges**” means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing.”

“**Drug**” means a compound, substance or preparation, and any component of a compound, substance or preparation, other than “food and food ingredients,” “dietary supplements” or “alcoholic beverages:”
A. Recognized in the official United State Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them; or
B. Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or
C. Intended to affect the structure or any function of the body.

“**Dues, Membership and Subscription”** means monies paid for the purpose of membership, or qualifying or becoming eligible for goods or services, or discounts to goods or services.

“Durable medical equipment” means equipment including repair and replacement parts for same, but does not include “mobility enhancing equipment,” which:

A. Can withstand repeated use; and
B. Is primarily and customarily used to serve a medical purpose; and
C. Generally is not useful to a person in the absence of illness or injury; and
D. Is not worn in or on the body.

“Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

“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.

“**Farming supplies**” means animal food, seed, plants, fertilizers and other consumables used in an agriculture or mariculture business that sells its harvested grains, produce, meats, animal products or other farm production.

“**Food**” means any food or food product for home consumption except alcoholic beverages, tobacco, and prepared food. Food or food products includes, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value.

“**Gasoline, heating fuels and other consumable fuels”** means refined petroleum and petroleum-based products used for internal combustion engines and as the primary source for residential heating or domestic hot water. This may also include other types of fossil fuels as well as fuel sources that are renewable.

“**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.

“**Long-term vehicle lease”** means a lease of a motor vehicle, as defined below, for a period of 24 months or longer. As used herein a "motor vehicle" is a motor vehicle, as defined in AS 28.40.100(12), that is either required to be registered under AS 28.10.011, or is exempted from registration under AS 28.10.011(6) and (11). However, "motor vehicle" does not include either an "off-highway vehicle" as defined in 13 AAC 40.010(30) or a "snowmobile" as defined in 13 AAC 40.010(49).

” **Manufacturing components”** means sales of personal property as raw material to a person engaged in manufacturing 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.

“**Marijuana accessories”** means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana into the human body;

"Marketplace Facilitator" means a person that contracts with sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's products 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 seller;
- (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
- (iii) Providing a virtual currency that buyers are allowed or required to use to purchase products from the 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.

"**Medical equipment and supplies, and prescriptions"** means all medicines, medical goods or equipment prescribed by a health care provider licensed to practice in Alaska or any other state in the United States.

"**Mobility enhancing equipment"** means equipment including repair and replacement parts to same, but does not include "durable medical equipment," which:
A. Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; and
B. Is not generally used by persons with normal mobility; and
C. Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

"**Monthly**" means occurring once per calendar month.

"**Newspaper**" means a publication of general circulation bearing a title, issued regularly at stated intervals at a minimum of at least two weeks, and formed of printed paper sheets without substantial binding. It must be of general interest, containing information of current events. The word does not include publications devoted solely to a specialized field. It shall include school newspapers, regardless of the frequency of the publication, where such newspapers are distributed regularly to a paid subscription list.

"**Nexus**" means:

1. The seller's annual statewide gross revenue, or seller's marketplace facilitator's annual statewide gross revenue, from the sale(s) of property, products or services delivered into the state meets or exceeds one hundred thousand dollars; or
2. The seller, or seller's marketplace facilitator, sold property, digital products, or services delivered into the state in one hundred or more separate transactions.

"**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.

"**Over the counter drug"** means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

A. A "Drug Facts" panel; or

B. A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

"**Periodical**" means any bound publication other than a newspaper that appears at stated intervals, each issue of which contains news or information of general interest to the public, or to some particular organization or group of persons. Each issue must bear a relationship to prior or subsequent issues with respect to continuity of literary character or similarity of subject matter, and sufficiently similar in style and format to make it evident that it is one of a series.

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

"Point of Delivery" means the location at which 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 the seller, 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. For products transferred electronically, or other sales where the remote merchant lacks a delivery address for the purchaser, the merchant shall consider the point of delivery the sale to the billing address of the buyer.

"**Precious metals**" means any mineral, including but not limited to gold, silver, platinum and palladium, that has been put through a process of refining and is in such a state or condition that its value depends upon its precious metal content (such as an ingot or bar) and not its form (such as jewelry or artwork) .

"**Prepared food"** means:

A. Food sold in a heated state or heated by the seller;

B. Two or more food ingredients mixed or combined by the seller for sale as a single item; or

C. Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food.
"Prepared food" in B. does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses.

"**Prewritten computer software"** means "computer software," including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more "prewritten computer software" programs or prewritten portions thereof does not cause the combination to be other than "prewritten computer software." "Prewritten computer software" includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the specific purchaser. Where a person modifies or enhances "computer software" of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person's modifications or enhancements. "Prewritten computer software" or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains "prewritten computer software;" provided, however, that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute "prewritten computer software."

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

"**Prosthetic Device"** means replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to:

A. Artificially replace a missing portion of the body;
B. Prevent or correct physical deformity or malfunction; or
C. Support a weak or deformed portion of the body.

"**Purchaser"** means a person to whom a sale of property is made or to whom a service is furnished (see also Buyer).

"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 possession by a shipping company on behalf of the purchaser.

“Remote Seller” means a Seller making sales or services received or delivered within the State of Alaska, by internet, mail order, or telephone, without having a physical presence in a taxing jurisdiction, or conducting business between taxing jurisdictions.

“**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 sale for any purpose other than for resale.

“Sales or Purchase price” means the total amount of consideration, including cash, credit, property, and services, for which personal property 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 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.

“**Sales-Type Lease”** means at lease commencement, (1) the lease transfers ownership of the underlying property, goods, or services to the lessee by the end of the lease term; (2) the lease grants the lessee an option to purchase the underlying property, goods, or services that the lessee is reasonably certain to exercise; (3) the lease term is for the major part of the remaining economic life of the underlying property, goods, or services. However, if the commencement date falls at or near the end of the economic life of the underlying property, goods, or services, this criterion shall not be used for purposes of classifying the lease; (4) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying property, goods, or services; (5) the underlying property, goods, or services is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

“**Seller**” means: (1) a person making sales of property or services.

“**Senior citizen**” means any individual defined by a taxing jurisdiction as qualifying for an age-based exemption from sales tax.

“**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 product or sale of property may be involved, including property made to order;
C. Utilities and utility services not constituting a sale of personal property, 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.

“**Software downloads**” means software, applications, services and other digital programming for computers, tablets, smartphones and other electronic devices. This includes online subscriptions or purchases of news services, publications, audio books and other similar electronic versions of printed materials.

“**Software maintenance contracts**” means a contract that obligates a vendor of computer software to provide a customer with future updates or upgrades to computer software, support services with respect to computer software or both.

A “mandatory computer software maintenance contract” is a computer software maintenance contract that the customer is obligated by contract to purchase as a condition to the retail sale of computer software.

An “optional computer maintenance contract” is a computer software maintenance contract that a customer is not obligated to purchase as a condition to the retail sale of computer software.

“Streaming services” means digital content provided online for on-demand consumption rather than downloadable consumption. This typically includes, but is not limited to, video and audio files.

“Tobacco” means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.

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

Remote (Online) Sales Tax Collection

Background

- Responding to Supreme Court *Wayfair*
  - Streamlined, simplified single-level statewide administration
- AML researched potential paths forward, raised funds to advance implementation
  - Produced FAQ and additional documents
- Convened working group in June
  - Produced general agreement, drafting and governance committees
- Solicited software development proposals

ALASKA MUNICIPAL LEAGUE

Remote Sales Tax Collection

Current Status

- Intergovernmental agreement – delegates authority
  - Signatories form Commission (an intergovernmental corporation)
- Commission finalizes bylaws – establishing governance
- Draft remote sales tax code – finalized by Commission
  - To come back to members for adoption
- Draft common definitions - Included in the code
- Review and selection of software development
  - AML to contract

ALASKA MUNICIPAL LEAGUE

Remote Sales Tax Collection

Next steps

- Municipalities adopt Agreement – become members
- Incorporate Commission, register with State of Alaska
  - Finalize bylaws, Launch in November
- Commission to finalize Tax Code
  - Back to members to adopt ordinance
- AML to work on software development
  - Preview in November/ Implemented in Jan/Feb 2020
- AML to begin staffing
  - Program admin early as part of startup

ALASKA MUNICIPAL LEAGUE

Alaska Intergovernmental Remote Seller Sales Tax Agreement

Agreement Features

- Enable single-level, statewide administration of remote sales tax collection, remittance and enforcement; streamlining and simplifying for remote sellers
- Signatories become members of newly-established Commission with voting rights
- Commission to govern uniform policy, code, and definitions
- Membership agree by ordinance or resolution entry into Agreement; acknowledge and be bound by uniform code and bylaws; and delegate sales tax registration, collection, remittance, audit and collection authority to Commission
- Commission to contract with AML for implementation
- Nothing in compact restricts the power of a local government to fix rates and exemptions, nor relinquishes taxing authority

ALASKA MUNICIPAL LEAGUE

Alaska Remote Sellers Sales Tax Code

Code Features

- Collection of sales tax by remote seller is due the taxing authority
- Statewide annual threshold set at $100,000 in sales or 100 transactions annually
- Remote seller to register with Commission
- Remittance to, and filing/reporting with Commission
- Commission to be responsible for compliance – returns, penalties and audits
- Sellers with physical presence in the taxing jurisdiction should register and remit to that taxing authority
- Common Definitions

ALASKA MUNICIPAL LEAGUE

Alaska Remote Sellers Sales Tax Commission

Bylaws Features

- Membership qualifications – signatories with authority to act on behalf of member government, delegation of tax collection
- Voting rights, meetings
- Board of directors - seven board members, including officers
- Administrative Structure – contract with AML to perform duties as assigned
- Budget and fiscal structure
- Responsible for updating the tax code and agreement, oversight

ALASKA MUNICIPAL LEAGUE

Process

Intergovernmental Agreement

Agreement for centralized administration of remote sales tax collection and remittance

- Member signatories to delegation of administration to Commission

Commission

Governance - Bylaws and Board of Directors

- Code and Definitions
- Annual Budget
- Delegation of implementation to AML

Alaska Municipal League

- Sales Tax Division

Staffing and contracting for central administration

- Registration and exemptions
- Software development and management
- Collection, Remittance, Audit
- Reporting

ALASKA MUNICIPAL LEAGUE

Commission Role

- Board to have fiduciary responsibility, and duty of care
- Oversee initial and changes to code, agreement, and definitions
- Oversee administrative implementation
- Set annual budget
- Provide oversight
- Report to members national trends or challenges
- Pursue participation in the SSUTA

AML Role

- Administrative support for Commission board and membership
- Day to day management of centralized administration
  - Software development and management
  - Tax code and boundary updates
  - Banking processes, budget and accounting
  - Registration and exemption certificates
  - Collection, remittance and reporting of sales tax revenue to members
  - Compliance and auditing
  - Legal action
- Annual reports

ALASKA MUNICIPAL LEAGUE

Budget

- AML to fund software development
- AML to place all sales taxes collected in dedicated account
- % of revenue goes to software
  - 12% 1st $10 Million, 8% 2nd $10 million, 4% after; renegotiate within ten years
- % of revenue goes to AML for administration – based on approved direct and indirect expenses
- Remittance and reporting to members – monthly or quarterly
- Additional data management fee collected pro rata
- Positive net revenues deposited in reserve as stabilization fund or to reduce member fees

ALASKA MUNICIPAL LEAGUE

Ensuring Success

- Government maintains taxing authority
- Government delegates administration to Commission
- Commission delegates management to AML
- AML commits to service contract, with independent governance
  - Work with board to consider potential for future enterprise
- Municipality has opt-out provision
- Legal and fiduciary responsibility lies with Commission
- Day to day operational responsibility lies with AML

ALASKA MUNICIPAL LEAGUE

Presented by: The Manager
Introduced: 11/04/19
Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2873

A Resolution Expressing Support for the Juneau Coordinated Transportation Coalition's Prioritization of Projects for Grant Funding by the Alaska Department of Transportation and Public Facilities.

WHEREAS, the City and Borough has adopted the 2015 Juneau Coordinated Human Services Transportation Plan to identify available transportation services and to identify strategies to address gaps in transportation services provided to those who are elderly, have disabilities, or who qualify as low-income and use public transportation for traveling to and from work; and

WHEREAS, the Alaska Department of Transportation and Public Facilities makes available grant funding for mobility projects; and

WHEREAS, to be considered for grant funding, each community must prioritize their projects and that priority list must be endorsed by the local government; and

WHEREAS, the Juneau Coordinated Transportation Coalition is a coalition of community partners working to improve the effectiveness and efficiency of transportation in Juneau; and

WHEREAS, one of the Coalition's main roles is to rank funding requests from member agencies proposing transportation and mobility projects and submit those recommendations to the Assembly; and

WHEREAS, the Juneau Coordinated Transportation Coalition and related agency representatives held a regular Juneau Coordinated Transportation Coalition meeting on October 14, 2019, and voted on the priority list for FY21 DOT&PF grant funding as follows:

1. Taxi voucher program
2. One 4x4 capable lift-equipped van
3. One ramp-equipped taxi

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

Section 1. The City and Borough endorses the following prioritized list to be considered for Alaska Department of Transportation and Public Facilities grant funding:

1. Taxi voucher program
2. One 4x4 capable lift-equipped van
3. One ramp-equipped taxi

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

Adopted this _______ day of _______________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community, and Economic Development
ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

October 2, 2019

City and Borough of Juneau
Attn: Beth McEwen
VIA Email: beth.mcewen@juneau.org
city.clerk@juneau.org

License Type:	Restaurant/Eating Place	**License Number:**	851
Licensee:	Alaska Travel Adventures Inc.		
Doing Business As:	Gold Creek Salmon Bake		
Premises Address:	No Premises		

☐ **New Application**
☒ **Transfer of Location Application**
☐ **Transfer of Ownership Application**
☐ **Transfer of Controlling Interest Application**

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Erika McConnell

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

Presented by:	The Manager
Introduced:	11/4/2019
Drafted by:	Finance

TRANSFER REQUEST FOR THE CITY AND BOROUGH OF JUNEAU, ALASKA

SERIAL NUMBER T-1021

It is hereby ordered by the Assembly of the City and Borough of Juneau, Alaska, that $123,164 be transferred:

From: CIP

H51-105	Amalga Fish Cleaning Stations	$123,164

To: CIP

H51-121	Pile Anode Installation	$123,164

The $123,164 consists of:

Harbor Funds	$123,164

Moved and Approved this______________day of ________________, 2019.

____
D. Rorie Watt, City Manager

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 10/14/19
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-13

An Ordinance Amending Ordinance 2018-37 Related to the City and Borough's Recycleworks Program.

WHEREAS, Ordinance 2018-37 authorized an alternative procurement method related to the City and Borough's RecycleWorks program.

WHEREAS, Staff has negotiated agreements for recycling and household hazardous waste, but the global recycling market has constricted since July 2018 when Ordinance 2018-37 was adopted.

WHEREAS, the payment terms in Ordinance 2018-37 need amending to reflect the global recycling market.

WHEREAS, the remaining provisions in Ordinance 2018-37 remain unchanged.

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

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Amendment of Ordinance 2018-37. Section 3(1) of Ordinance 2018-37 is amended to read as follows:

> Over the course of the initial ten-year term of the contract, the CBJ will pay an operating fee of no more than $27,500 per month for the operation of the recycling program and for access to and use of a new

recycling facility, which shall be provided and maintained by Waste Management primarily for the CBJ's use. The CBJ shall also pay market rate shipping costs and disposal costs, which shall be offset by the value of the recyclable materials. The CBJ shall also be credited for use of the baler for non-CBJ materials. After the initial term, the renewal operating fee shall be $17,500 per month. The operating fee shall be adjusted based on the Consumer Price Index. The CBJ's payments are subject to appropriations by the Assembly for this purpose in accordance with Section 9.13 of the Charter.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 06/25/2018
Drafted by: A. G. Mead

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2018-37

An Ordinance Authorizing an Alternative Procurement Method Related to the City and Borough's Recycleworks Program.

WHEREAS, the City and Borough's (CBJ's) waste programs, specifically its recycling and household hazardous waste programs, reduce environmental contamination in the community through safe disposal of materials, and reduce the amount of waste going into the landfill, thus preserving capacity and extending the life of the landfill; and

WHEREAS, increasing diversion of waste from the landfill through the City and Borough's waste programs keeps solid waste disposal costs low for the community; and

WHEREAS, it has long been a goal to consolidate the City and Borough's waste programs, including its recycling and household hazardous waste programs, to one location to realize public convenience and operational efficiencies and where:

- The building currently housing the existing recycling program is no longer safe for public use and in order to allow for a new building to be constructed prior to the winter season, timing is of the essence; and
- The household hazardous waste program is currently housed in a facility that is not advantageous for the program for a variety of reasons including traffic patterns on Commercial Boulevard and isolation from other refuse programs; and

WHEREAS, co-locating the City and Borough's waste programs with the community's solid waste landfill powerfully conveys to the public the consequences of their disposal choices and the need to reduce, re-use, and recycle to help preserve the capacity of the landfill for future generations; and

WHEREAS, Waste Management, which currently operates the CBJ's recycling program and the landfill, has proposed a partnership with the CBJ that would allow for such co-location as follows:

- Waste Management would continue to run the CBJ's recycling program, purchasing a new building for that purpose, with the CBJ to enjoy the benefit of the building for the lifetime of the facility at the CBJ's discretion;

- Waste Management would lease property to the CBJ at the Waste Management facility for the CBJ's household hazardous waste program;

- Waste Management would lease additional property to the CBJ for the CBJ's organic materials management programs;

- Waste Management would conduct a "Litter Free" event in the fall, in addition to the event held by Waste Management in the spring; and

- Waste Management would provide educational materials, designed to educate the public about the benefits of recycling and for use on social media platforms, for the CBJ's use; and

WHEREAS, Waste Management has demonstrated market strength and is powerfully situated to find markets for recycled products; and

WHEREAS, while a global tightening on recyclable material standards has caused other Southeast Alaska communities to stop accepting mixed paper as a recyclable material, Waste Management continues to accept mixed paper for recycling and is able to provide all recycling services required by CBJ; and

WHEREAS, the areas of land that would be used for the City and Borough programs at the landfill have no other competing uses, thus expanding the use of that site; and

WHEREAS, unlike all other options considered by the CBJ, the location at the landfill would leave valuable industrially zoned land available for other community uses and avoids the need for the City and Borough to purchase expensive land; and

WHEREAS, Waste Management (through its entity Capitol Disposal, Inc.) was the successful bidder on the request for proposals for the recycling program (formally the Fixed Facility & Services for CBJ's Municipal Solid Waste Programs, RFP 13-107) and was awarded the contract in 2013 for a three year term, with three additional one-year optional extensions; and

WHEREAS, the CBJ has extended the term of the contract every year since 2016; and

WHEREAS, the purpose of the City and Borough's purchasing process is to provide for a fair and equitable method of procuring services and improvements while maximizing the value of public funds and benefit to the community; and

WHEREAS, Section 9.14 of the Home Rule Charter of the City and Borough of Juneau requires that public improvements be procured by competitive bid except that the assembly may adopt an alternative procurement method upon the Manager finding it would be in the best interest of the City and Borough to do so based on cost, timing, and other relevant criteria; and

WHEREAS, when it is impracticable to do otherwise, the Charter allows for services to be procured by methods other than competitive bid; and

WHEREAS, the Manager has determined in writing (attached as Exhibit A) that renewing the recycling contract with Waste Management under the proposed terms would be in the best interest of the CBJ based on cost, timing, and benefit to the customers, and that exercising his authority under CBJ 53.04.010 to acquire land at fair market value through this agreement would similarly be in the best interests of the CBJ.

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

Section 1. **Classification.** This ordinance is a non-code ordinance.

Section 2. The provisions of Title 53 Chapter 50 of the City and Borough of Juneau Code of Ordinances do not apply to this transaction.

Section 3. As it would be in the best interest of the City and Borough of Juneau and public based on cost, timing, the benefit to the users, and the leasing opportunity presented by this proposal, and given that it appears Waste Management is uniquely capable of doing the necessary work, the Manager is authorized to extend the recycling contract with Waste Management (through Capitol Disposal, Inc.). The contract shall include the following terms:

1. Over the course of the initial ten-year term of the contract, the CBJ will pay no more than $27,500 per month for the operation of the recycling program and for access to and use of a new recycling facility, which shall be provided and maintained by Waste Management for primarily the CBJ's use, subject to appropriations by the Assembly for this purpose in accordance with Section 9.13 of the Charter. (The previous contract cost for operation of the old facility was $17,000 per month.)

2. The CBJ will have the option of exercising four five-year renewals, for a total of thirty years, which is the design life of the building, subject to appropriation.

3. If Waste Management terminates the recycling contract prior to the envisioned 30 year total term for any reason except the CBJ's un-cured breach of contract, Waste Management will lease the recycling facility (land and building) to the CBJ for fair market value for the CBJ's sole use.

4. The recycling facility will be open five days per week for commercial and non-commercial users. (The previous contract provided for the facility to be open three days per week for non-commercial users and 2.5 days per week for commercial recycling.)

5. Waste Management shall continue to operate the CBJ-owned baler, to be used primarily for the CBJ's recycling program.

6. Waste Management shall lease property at its facility to the CBJ at fair market value for the CBJ's household hazardous waste and organic materials management programs, to be managed by the CBJ or the CBJ's contractors. If the lease is terminated for any reason other than the CBJ's un-cured breach of contract, Waste Management will reimburse the CBJ the value of the household hazardous waste building and any improvements.

7. Waste Management shall conduct a "Litter Free" event in the fall, in addition to the event held by Waste Management in the spring.

8. Waste Management shall provide educational materials, designed to educate the public about the benefits of recycling and for use on social media platforms, for the CBJ's use.

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 11th day of July, 2018.

Kendell D Koelsch

Kendell D. Koelsch, Mayor

Attest:

Elizabeth J McEwen

Elizabeth J. McEwen, Municipal Clerk

Presented by: Manager
Introduced: 10/14/19
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-44

An Ordinance Correcting Certain Customer Classes and Rates for Water and Wastewater Utility Services in Ordinance 2019-31.

WHEREAS, Ordinance 2019-31 was adopted on August 19, 2019, which increased the water and wastewater utility rates; and

WHEREAS, after adoption inadvertent Customer Class and Rate errors were identified in Ordinance 2019-31; and

WHEREAS, this ordinance corrects those inadvertent errors to be consistent with the intent of Ordinance 2019-31.

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 Section. CBJ 75.01.180 Rate schedule, is amended to read:

75.01.180 Rate schedule.

(a) Commencing January 1, 2020, the schedule of rates charged for water service shall be as follows:

Water Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Large Commercial	500,000	$495.04 ~~474.39~~	$1.00

…

Section 3. Amendment of Subsection. CBJ 75.02.130 Schedule of rates and charges; establishment; delinquencies, is amended at (a)(4) to read:

75.02.130 Schedule of rates and charges; establishment; delinquencies.

(a) The schedule for sewer rates and charges shall be as follows:

…

(4) Rate: Commencing January 1, 2020, customers shall pay for sewer service at the following rates:

Wastewater Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Metered ~~Large~~ Commercial (High)	500,000	$98.00	$13.03

…

Section 4. Amendment of Section. CBJ 75.01.180 Rate schedule, is amended to read:

75.01.180 Rate schedule.

(a) Commencing July 1, 2021, the schedule of rates charged for water service shall be as follows:

Water Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Large Commercial	500,000	$504.94 ~~483.87~~	$1.02

…

Section 5. Amendment of Subsection. CBJ 75.02.130 Schedule of rates and charges; establishment; delinquencies, is amended at (a)(4) to read:

75.02.130 Schedule of rates and charges; establishment; delinquencies.

(a) The schedule for sewer rates and charges shall be as follows:

…

(4) Rate: Commencing July 1, 2021, customers shall pay for sewer service at the following rates:

Wastewater Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Metered ~~Large~~ Commercial (High)	500,000	$99.96	$13.29

…

Section 6. Amendment of Section. CBJ 75.01.180 Rate schedule, is amended to read:

75.01.180 Rate schedule.

(a) Commencing July 1, 2022, the schedule of rates charged for water service shall be as follows:

Water Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Large Commercial	500,000	$515.04 ~~493.55~~	$1.04

…

Section 7. Amendment of Subsection. CBJ 75.02.130 Schedule of rates and charges; establishment; delinquencies, is amended at (a)(4) to read:

75.02.130 Schedule of rates and charges; establishment; delinquencies.

(a) The schedule for sewer rates and charges shall be as follows:

...

(4) Rate: Commencing July 1, 2022, customers shall pay for sewer service at the following rates:

Wastewater Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Metered ~~Large~~ Commercial (High)	500,000	$101.96	$13.56

...

Section 8. Amendment of Section. CBJ 75.01.180 Rate schedule, is amended to read:

75.01.180 Rate schedule.

(a) Commencing July 1, 2023, the schedule of rates charged for water service shall be as follows:

Water Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Large Commercial	500,000	$525.34 ~~503.42~~	$1.06

...

Section 9. Amendment of Subsection. CBJ 75.02.130 Schedule of rates and charges; establishment; delinquencies, is amended at (a)(4) to read:

75.02.130 Schedule of rates and charges; establishment; delinquencies.

(a) The schedule for sewer rates and charges shall be as follows:

...

(4) Rate: Commencing July 1, 2023, customers shall pay for sewer service at the following rates:

Wastewater Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base(per month)	Volume Charge(per 1,000 gallons)
Metered ~~Large~~ Commercial (High)	500,000	$104.00	$13.83

...

Section 10. Amendment of Section. CBJ 75.01.180 Rate schedule, is amended to read:

75.01.180 Rate schedule.

(a) Commencing July 1, 2024, the schedule of rates charged for water service shall be as follows:

Water Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Large Commercial	500,000	$535.85 ~~513.49~~	$1.08

...

Section 11. Amendment of Subsection. CBJ 75.02.130 Schedule of rates and charges; establishment; delinquencies, is amended at (a)(4) to read:

75.02.130 Schedule of rates and charges; establishment; delinquencies.

(a) The schedule for sewer rates and charges shall be as follows:

...

(4) Rate: Commencing July 1, 2024, customers shall pay for sewer service at the following rates:

Wastewater Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	Rates	
		Base (per month)	Volume Charge (per 1,000 gallons)
Metered ~~Large~~ Commercial (High)	500,000	$106.08	$14.11

...

Section 12. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ___ day of November, 2019.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: AFC
Introduced: 10/14/19
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-45

An Ordinance Amending the Sales Tax Code Related to the Out of Borough Exemption

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 Section. CBJ 69.05.040, Exemptions, is amended to read:

69.05.040 - Exemptions.

The tax levied under this chapter shall not apply to the following transactions:

…

(3) Sales of goods and associated shipping and handling charges resulting from orders received from outside the City and Borough where goods are received by the buyer outside the city and borough after seller ships the goods by mail or common carrier. ~~delivery is made outside the City and Borough. For goods physically delivered, delivery~~. Shipment outside the City and Borough must be verified by postal or shipping documents.~~, and~~ If ~~if~~ the shipment ~~delivery~~ is by electronic means, shipment ~~delivery~~ must be verified by the buyer's "billed-to" address. Common carrier means a commercial enterprise that holds itself out to the public as offering to transport freight for a fee without refusal.

…

Section 3. **Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of _______________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by:	The Manager
Introduced:	10/14/2019
Drafted by:	Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(G)

An Ordinance Appropriating to the Manager the Sum of $1,000,000 as Funding for Various Capital Improvement Projects at the Juneau International Airport; Funding Provided by Passenger Facility Charge Fees.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of $1,000,000 to the following Juneau International Airport Capital Improvement Projects:

Terminal Construction		$587,723
Taxiway A, E, D-1 Construction		$412,277
	Total	**$1,000,000**

Section 3. Source of Funds. Passenger Facility Charge (PFC9) collections: $1,000,000.

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: October 14, 2019
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2016-06(H)

An Ordinance Appropriating to the Manager the Sum of up to $35,292 as Funding for Multiple Training Events for the Juneau Police Department; Grant Funding Provided by the United States Department of Justice, Office of Justice Programs, FY19 Edward Byrne Memorial Justice Assistance Grant (JAG) Program.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of up to $35,292 as funding for multiple training events for the Juneau Police Department.

Section 3. Source of Funds

U.S. Department of Justice	$35,292

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 10/14/2019
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(I)

An Ordinance Appropriating to the Manager the Sum of $1,324,150 as Funding for a Negotiated Wage Increase and an Additional Lump Sum Payment for Marine Engineers Beneficial Association (MEBA) and Unrepresented Employees; Funding Provided by the General Fund's Fund Balance and Various Enterprise Fund's Fund Balances.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of $1,324,150 as Funding for the Negotiated Wage Increase, Employer Contribution to Health Insurance, and an additional lump sum payment of $500 for MEBA and Unrepresented Employees.

Section 3. Source of Funds

General Fund's Fund Balance	$ 963,930
Lands and Resources Fund's Fund Balance	11,500
Airport Fund's Fund Balance	92,580
Harbor Fund's Fund Balance	52,950
Dock Fund's Fund Balance	38,240
Waste Management Fund's Fund Balance	2,950
Water Fund's Fund Balance	50,320
Wastewater Fund's Fund Balance	76,240
Fleet Services Fund's Fund Balance	20,320
Risk Management Fund's Fund Balance	15,120
Total	**$ 1,324,150**

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 10/14/2019
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(J)

An Ordinance Appropriating to the Manager the Sum of $570,847 as Funding for a Negotiated Wage Increase and an Additional Lump Sum Payment for Public Safety Employees Association (PSEA) Employees; Funding Provided by the General Fund's Fund Balance.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of $570,847 as Funding for the Negotiated Wage Increase, Employer Contribution to Health Insurance, and an additional lump sum payment of $500 for PSEA Employees.

Section 3. Source of Funds

General Fund's Fund Balance	$ 570,847

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: 10/14/2019
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(K)

An Ordinance Appropriating to the Manager the Sum of $166,000 as Funding for a Negotiated Wage Increase for International Association of Fire Fighters (IAFF) Employees; Funding Provided by the General Fund's Fund Balance.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of $166,000 as Funding for the Negotiated Wage Increase, and Employer Contribution to Health Insurance for IAFF Employees.

Section 3. Source of Funds

General Fund's Fund Balance $ 166,000

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

CITY AND BOROUGH OF JUNEAU

OFFICE OF THE ASSESSOR
155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

Hardship
Late-Filed Property Tax Exemption
Assessor Summary

Applicant:	KAYSA A KORPELA
Parcel ID:	6D0601070040
Physical Address:	4031 N DOUGLAS HWY UNIT A
Legal Description:	THORNE LT 4

Hardship exemption deadline: April 30
Kaysa Korpela applied for the SC/DV exemption on ***October 22***.
City and Borough code places the authority for approving late file exemption claims with the Assembly:

> ***Per 69.10.020***
> ***(C):*** *The assembly, for good cause shown, may waive the claimant's failure to make timely application for an exemption under subsection (A) or CBJ 69.10.021 and authorize the assessor to accept the application as if timely filed. "Good cause" shall mean:*
>
> ***(i)*** *extraordinary circumstances beyond the control of the claimant, including but not limited to a medical condition or disability, impaired mental capacity, illiteracy, family emergency, death in the family, or other similar serious condition or event, that substantially impaired the claimant's ability to file a timely application;*
>
> ***(ii)*** *extraordinary circumstances for a finding of good cause do not include late filing due to the claimant's inadvertence, oversight, or lack of knowledge regarding the filing requirements or deadline, financial hardship, or reliance on misinformation provided by a professional such as a real estate broker, banker, attorney, or accountant.*

The appellant requests that the Hardship property tax exemption be granted. A letter of explanation as to why the application was not submitted before the filing deadline is attached. Please see attached letter.

City and Borough of Juneau Assembly:

In previous years to 2019 I filed with the Assessors Office for the Senior Citizen Hardship Exemption on my property taxes. I honestly thought I had done so after my taxes were filed this year but apparently I forgot. I didn't realize there was a problem until my mortgage lender sent me the annual review of my escrow and were requesting that I pay an additional $2700.70 into my escrow account to cover the lack of funds necessary to cover my property taxes. (The property tax formula is based on the previous years taxes paid. Since I had filed in 2018 for the Hardship Exemption and not 2019 there was a substantial shortfall in my escrow account.)

I am taking the only step available to me by requesting of you to approve approval of a "late file exemption". All of my appropriate documentation is included. The bank's request for additional money has now placed me in a hardship situation. A fixed income is not a renewable resource so I feel an urgency to make an effort to protect my money. I hope you can see clear to grant this application.

Kaysa Korpela
Juneau51@hotmail.com
907-957-6665

Attachments

Request for Approval of Late File Exemption Application
2018 and 2019 Real Property Tax Bills
1040 US Individual Income Tax Return
FNBA Payment Change Advice

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

January 23, 2019

City & Borough of Juneau
Attn: Beth McEwen
Via Email: beth.mcewen@juneau.org
Cc: City.Clerk@juneau.org

Re: Notice of 2019/2020 Liquor License Renewal Application

License Type:	Recreational Site	**License Number:**	5095
Licensee:	Taku Lanes LLC		
Doing Business As:	Taku Lanes		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Erika McConnell

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

OFFICE OF THE MUNICIPAL CLERK
Ph: (907)586-5278 Fax: (907)586-4552
e-mail: city.clerk@juneau.org

October 17, 2019

Via certified, regular mail & emaill
Taku Lanes, LLC d/b/a Taku Lanes
Attn: Cindy Price
608 W Willoughby Ave
Juneau AK 99801
cindy@takulanes.com

Re: Recreational Site-2019-2020 Liquor License Renewal Protest
Taku Lanes, LLC d/b/a Taku Lanes License #5095

Dear Ms. Price,

City and Borough of Juneau is in receipt of your liquor license renewal from the Alcohol Beverage Control Board, which is being forwarded to the Assembly for local governing body action.

As is our practice in these matters, staff from the Fire, Finance, Police, and Community Development Departments has reviewed your establishment to insure compliance with city code. **The Finance Department/Sales Tax Division is recommending the Assembly protest this license renewal based on Taku Lanes LLC having a total balance due of $6,343.34 in sales tax, liquor tax, late fees, penalties and interest. This balance due is from the monthly filing periods January 2019 – May 2019.**

CBJ Code 20.25.025 provides you with the right to an informal hearing before the Assembly to address this issue. This matter will be considered at the Monday, November 4, 2019 Assembly Human Resources Committee (HRC) meeting at 6:00p.m. in the Assembly Chambers and the HRC will then forward a recommendation to the Assembly for action at its regular meeting that same evening at 7:00p.m. in the Assembly Chambers. You will be given the opportunity to participate in an informal hearing before the Assembly during these meetings if you wish to do so.

Copies of the CBJ Code and Alaska Statutes pertaining to the protest process are enclosed for your reference. Please work with our Sales Tax Division to ensure all outstanding balances are resolved prior to this appearing before the Assembly on November 4. If balance due is paid by the close of business, Monday, November 4, 2019 the protest will be removed and noted as such on the agendas and at the meetings. We recommend working with Sales Tax staff to get this matter resolved as quickly as possible, they can be reached at 586-0361.

Sincerely,
Diane Cathcart
Diane Cathcart
Deputy Clerk

Enclosures
cc via email: Assembly & Liquor License Staff Reviewers

ALASKA STATUTES AND CBJ CODE SECTIONS
RE: ASSEMBLY LIQUOR LICENSE PROTEST PROCESS

Alaska Statutes 04.11.480

Sec. 04.11.480. Protest.

(a) A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license by sending the board and the applicant a protest and the reasons for the protest within 60 days of receipt from the board of notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and in no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer. The local governing body may protest the continued operation of a license during the second year of the biennial license period by sending the board and the licensee a protest and the reasons for the protest by January 31 of the second year of the license. The procedures for action on a protest of continued operation of a license are the same as the procedures for action on a protest of a renewal application. The board shall consider a protest and testimony received at a hearing conducted under AS 04.11.510(b)(2) or (4) when it considers the application or continued operation, and the protest and the record of the hearing conducted under AS 04.11.510 (b)(2) or (4) shall be kept as part of the board's permanent record of its review. If an application or continued operation is protested, the board shall deny the application or continued operation unless the board finds that the protest is arbitrary, capricious, and unreasonable.

(b) If the permanent residents residing outside of but within two miles of an incorporated city or an established village wish to protest the issuance, renewal, or transfer of a license within the city or village, they shall file with the board a petition meeting the requirements of AS 04.11.510 (b)(3) requesting a public hearing within 30 days of the posting of notice required under AS 04.11.310 , or by December 31 of the year application is made for renewal of a license. The board shall consider testimony received at a hearing conducted under AS 04.11.510 (b)(3) when it considers the application, and the record of a hearing conducted under AS 04.11.510 (b)(3) shall be retained as part of the board's permanent record of its review of the application.

(c) A local governing body may recommend that a license be issued, renewed, relocated, or transferred with conditions. The board shall consider recommended conditions and testimony received at a hearing conducted under AS 04.11.510 (b)(2) or (4) when it considers the application or continued operation, and the recommended conditions and the record of the hearing conducted under AS 04.11.510 (b)(2) or (4) shall be kept as part of the board's permanent record of its review. If the local governing body recommends conditions, the board shall impose the recommended conditions unless the board finds that the recommended conditions are arbitrary, capricious, or unreasonable. If a condition recommended by a local governing body is imposed on a licensee, the local governing body shall assume responsibility for monitoring compliance with the condition, except as otherwise provided by the board.

(d) In addition to the right to protest under (a) of this section, a local governing body may notify the board that the local governing body has determined that a licensee has violated a provision of this title or a condition imposed on the licensee by the board. Unless the board finds that the local governing body's determination is arbitrary, capricious, or unreasonable, the board shall prepare the determination as an accusation against the licensee under AS 44.62.360 and conduct proceedings to resolve the matter as described under AS 04.11.510 (c).

<u>CBJ Code 20.25.025</u>

20.25.025 Assembly review of license issuance, renewal, transfer, relocation, or continued operation.

(a) The assembly may protest the issuance, renewal, transfer, relocation, or continued operation of an alcoholic beverage license as provided in state law. The protest shall cite any of the following criteria which the assembly determines to be pertinent:

(1) The character and public interests of the surrounding neighborhood;

(2) Actual and potential law enforcement problems, including the proximity of the premises to law enforcement stations and patrols;

(3) The concentration of other licenses of the same and other types in the area;

(4) Whether the surrounding area experiences an unacceptable rate of alcohol abuse or of crime or accidents in which the abuse of alcohol is involved;

(5) The adequacy of parking facilities;

(6) The safety of ingress to and egress from the premises;

(7) Compliance with state and local fire, health and safety codes;

(8) The degree of control the licensee has or proposes to have over the conduct of the licensed business;

(9) The history of convictions of the applicants and affiliates of the applicants for:

(A) Any felony involving moral turpitude;

(B) Any violation of AS title 04; and

(C) Any violation of the alcoholic beverage control laws of another state as a licensee of that state;

(10) Whether the applicant or the applicant's affiliates are untrustworthy, unfit to conduct a licensed business or constitute a potential source of harm to the public;

(11) Any other factor the assembly determines is generally relevant or is relevant to a particular application.

(b) The assembly may protest the issuance, transfer, renewal, relocation, or continued operation of a license as provided in state law if it determines any of the following conditions exist:

(1) The business operated under the license is, on the date the assembly considers the license, delinquent in the payment of any sales tax or penalty or interest on sales tax arising out of the operation of the licensed premises;

(2) There are delinquent property taxes or local improvement district assessments or penalty or interest thereon arising out of real or personal property owned in whole or in part by any person named in the application as an applicant or on the permit which is to be continued where such property is used, or is to be used, in whole or in part in the business conducted or to be conducted under the license;

(3) There is a delinquent charge or assessment owing the City and Borough by the licensee for a municipal service provided for the benefit of the business conducted under the license or for a service or an activity provided or conducted by the municipality at the request of or arising out of an activity of the business conducted under the license;

(4) If the license requested is for a beverage dispensary and is requested under AS 04.11.400(d)(1), unless the tourist facility will contain 30 or more rooms;

(5) If the application is for the issuance or relocation of a license and, after the issuance or relocation, there would be:

(A) More than one restaurant or eating place license for each 1,500 population, or fraction thereof, residing within the City and Borough; or

(B) More than one license of each other type for each 3,000 population or fraction thereof residing within the City and Borough.

(6) The business operated or to be operated under the license is violating or would violate the zoning code of the City and Borough; or

(7) The business operated under the license is, on the date the assembly considers the application, in violation of state or local fire, health, or safety codes. A criminal conviction of this violation is not a prerequisite for a protest under this section.

(c) If the assembly or committee or a subcommittee thereof recommends protest of the issuance, renewal, transfer, relocation, or continued operation of a license it shall state the basis of the protest and the applicant shall be afforded notice and an opportunity to be heard at an abbreviated informal hearing before the assembly to defend the application. For the purposes of this subsection, notice shall be sufficient if sent at least ten days prior to the hearing by certified first class mail to the address last provided by the applicant to the municipal sales tax examiner. At the conclusion of the hearing, the assembly decision to protest the application shall stand unless the majority of the assembly votes to withdraw the protest.
(Serial No. 84-50, § 4, 1984; Serial No. 86-35, §§ 2, 3, 1986; Serial No. 93-25, § 2, 1993; Serial No. 2002-06, § 2, 2-25-2002; Serial No. 2002-44, § 2, 12-2-2002)

State Law References: Assembly protest, AS 04.11.480.

2020

Use spinner to change the calendar yec

JANUARY

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2		4		6	7	8
9		11	12	13	14	15
16	17	18	19	20	21	22
23		25	26	27	28	29

MARCH

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL

SUN	MON	TUE	WED	THU	FRI	SAT
				2	3	4
5		7		9	10	11
12		14		16	17	18
19	20	21	22	23	24	25
26		28		30		

MAY

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE

SUN	MON	TUE	WED	THU	FRI	SAT
		2		4	5	6
7		9	10	11	12	13
14	15	16	17	18	19	20
21		23	24	25	26	27
28		30				

JULY

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2		4		6	7	8
9		11	12	13	14	15
16	17	18	19	20	21	22
23		25	26	27	28	29
30						

SEPTEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

IMPORTANT DATES

Regular Assembly & HRC Meetings

January 13
February 3 & 24
March 16
April 1 Special Mtg to Introduce FY21/22 Budget
April 22 Special Mtg to set JSD $ amount & 1st PH of FY21/22 budget
April 6 & 27
May 18
June 8 & 29
July 13
August 3 & 24
September 21
October 20
November 2 & 23
December 14

PWFC & Lands & COW

January 6
February 10
March 2 & 23
April 13
May 4
June 1 & 22
July 20
August 10 & 31
September 14
October 26
November 9 & 30
December 21

Finance Committee

January 8
February 5
March 11
April 1, 8, 15, 22, 29
May 6 & 13
June 3
August 5
September 2
November 4
December 9

Special Events & Conferences

Jan 21 Legislative Session Begins (date may change)
Jan 22 35th Annual Legislative Welcome Reception
Feb 11-12 SE Conference Mid-Session Summit (JNU)(tentative)
Feb 18-20 AML Mid-Session Summit (JNU)
Aug 11-13 AML Summer Meeting (Fairbanks)(tentative)
Aug 18 Primary Election
Sept 16-18 SE Conf. Annual Meeting (location TBD)(tentative)
Oct 6 CBJ Municipal Election Day
Oct 13 CBJ Municipal Election Certified
Nov 3 State General Election
Nov 16-20 NEO/AML/ACoM/AAMC (ANC)(tentative)

Holidays

Assembly Goals 2019

Assembly Goals set at
December 1, 2018 retreat

Updated November 4, 2019

1. Housing - Assure adequate and affordable housing for all CBJ residents

	AA*	Implementing Actions	Responsibility	Notes:
A	P/F	Prioritize Housing Action Plan strategies	Assembly, Manager's Office	*Completing or completed senior tax abatement, senior land purchase, Pederson Hill, Unit Lot subdiv ord.; upcoming is AHF, Senior Land disposal. Ongoing accessory apt. grants, Mobile Home loan program, Blueprint Downtown.*
B	P/F	Improve downtown housing (examples: Gastineau properties, incentives)	Assembly, Manager's Office, Finance	*Focus during/after Blueprint. FYI funds coming in on schedule from Gastineau litigation.*
C	P	Examine status of Affordable Housing Commission.	Assembly, Manager's Office, Affordable Housing Commission	*Done*
D	P/F/O	Identify next CBJ owned area for residential development/disposal.	Assembly, Manager's Office, Lands	*Consider after Pederson sale, Assembly Committee meetings with developers.*

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

	AA*	Implementing Actions	Responsibility	Notes:
A	P/F/O	Prioritize items to implement the Juneau Economic Development Plan	Assembly, Manager's Office	*These goals effectively do this.*
B	F	Evaluate next steps & benefits with the West Douglas road and Channel Crossing	Engineering	*Funds appropriated in CIP in FY18, in long discussion with DOT/PF. Awaiting their decision on the process.*
C	P/F	Develop goals for tourism marketing & independent travelers	JEDC, JAHC, TJ	*KPIs at COW in the fall, will be imbedded in FY20 MOA with TJ.*
D	P/F	Complete work of Childcare Committee and act on the recommendations	Assembly	*Assembly completed initial committee work. Assigned project to staff who reported out at the 10/28 COW. On schedule to target solutions and funding in FY21.*
E	O	Develop a Downtown Transportation Plan to include parking strategies, parking structures, park & ride, circulators, etc.	Manager, Lands, Engineering/Public Works	*Public Safety building torn down, VTC under planning, bid on Subport which could host transportation elements.*
F	P/F	Explore CBJ participation in building the new JACC		*Ballot 2019*
G	F/O	Update the Comprehensive Plan	Assembly, CDD, Planning Commission, Manager's Office	*Partial funding in FY19 budget.*
H	O	Area Plans: Complete Downtown Area plan, followed by Douglas and Valley area plans.	CDD, Planning Commission, Manager, Assembly	*Downtown Blueprint project has kicked off. Tentative completion date is Winter 2020. Remaining plans are placeholders and may be adjusted.*
I	O	Identify future industrial land	Lands Office, CDD	*Update fall 2019, Lands Committee*
J	F/O	Revitalize Downtown based on Blueprint	CDD, Engineering/Public Works, Lands, Planning Commission, Manager's Office, Law, Assembly	*Awaiting outcome of planning process.*
K	S	Secure the $22 million of diverted Juneau Access funds for transportation infrastructure projects for the community.	Assembly, Manager's Office	*Awaiting actions by the State regarding AMHS and potential Cascade Point terminal.*
	P	Explore viability of a summer operation plan for Eagelcrest Ski Area	Assembly, City Manager, Eaglecrest Board, Eaglecrest General Manager	*Assembly is reviewing Eaglecrest Plans.*
	P	Visitor Industry Taskforce	Assembly, Manager's Office	*Assembly appointed committee is just beginning work.*

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

Assembly Goals 2019

Assembly Goals set at
December 1, 2018 retreat

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

	AA*	Implementing Actions	Responsibility	Notes:
A	F/O	Work on business case for consolidated City Hall	Manager's Office, Engineering & Public Works	*Continue public effort in Fall 2019, publicly evaluate issues and options. If supported, Ballot 2020 is potential option.*
B	F/O	Maintain Assembly focus on deferred maintenance.	Manager's Office, Engineering/Public Works, Parks and Recreation, Airport, Docks and Harbors, Eaglecrest. BRH, JSD	*Done. Maintained in FY19 CIP. Took action on utility rates.*
C	P/F	Protect Budget reserves	Assembly, Manager's Office, Finance	*Protected by Assembly. Under threat from Governor's vetos/State of Alaska.*
D	F/O	Upgrade CBJ Technology- online payments, website updates	Manager's Office, MIS, Library, JPD	*Ongoing.*
E	P	Look at Sales Tax structure (internet sales tax, no sales tax on food, etc.)	Assembly, Manager's Office, Finance	*Staff working AML process for internet sales tax.*

4. Community Wellness/Public Safety - Juneau has a local environment that is safe and welcoming for all citizens

	AA*	Implementing Actions	Responsibility	Notes:
A	F/O	Partner with non-profits and other government agencies to address the use of opioids and meth in our community. Focus on what BRH's role should be.	Assembly, Manager's Office, BRH, Community partners	*JOWG meets regularly.*
B	F	Partner with non-profits and other government agencies to support efforts to address community members who are unsheltered and other vulnerable populations (substance abuse, mental health, etc.)	Assembly, Manager's Office, BRH, Community partners	*Losing ground due to homeless/vulnerable population increase/changes reduction in State funding from Governor's vetos. HF Phase 2 under construciton. Increased focus likely required in FY19.*
C	P/F/O	Develop strategies to reduce and deal with the impacts of crime in the community.	Assembly, Manager's Office, Law, JPD, Community Partners	*State passes HB49. JPD has partnered with state and federal resources to reduce drug trafficing. Part 1 crimes down in last reporting cycle.*
D	F	Focus on first responder recruitment and retention strategies.	Manager's Office, JPD, CCFR, HRRM	*Improved staffing, retention strategies, new contract completed with PSEA and IAFF.*
E	P/O	Look into sidewalk accessibility, particularly as it relates to snow, ice and litter. Explore compliance and enforcement issues.	Manager's Office, CDD, Engineering/PW, JPD	
F	P/F/O	Review public safety taskforce recommendations	Assembly, Manager's Office, JPD	*Done. Decreased staffing shortage, increased effort on recruitment.*

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

	AA*	Implementing Actions	Responsibility	Notes:
A	P/F	Follow & Implement Juneau Renewable Energy Strategy	Assembly, Manager's Office	*Funding in FY20 CIP*
B	P/F/O	Develop and implement a CBJ energy management program.	Assembly, Manager's Office, all departments	
C	P/F	Investigate what it would take to plug in cruise ships.	Assembly, Manager's Office, Docks and Harbors	*Funding in FY20 CIP*
D	P/F	Develop steps to shift public and private transportation toward renewable energy sources.	Assembly, Manager's Office, Community Partners	*Funding in FY20 CIP*
E	P/F/O	Develop and implement/update a climate change impact and mitigation plan	Assembly, Manager's Office	*Funding identified in FY20 CIP to update climate impact study.*
F	P/F/O	Develop solid waste strategy including plans to increase recycling.	Assembly, Manager's Office, Engineering/PW	*Continuing work on consolidating recycleworks at landfill. Junk cars rising in priority, updates to program will be proposed Fall 2019.*
	P	Develop a single use plastics program	Assembly, Manager's Office	*In progress*

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

From:	Di Cathcart
To:	Borough Assembly
Cc:	"Jeff Hansen"; Clinton Singletary
Subject:	FW: Nov 4 Assembly meeting
Date:	Monday, November 4, 2019 4:03:28 PM

Assemblymembers,
Please see Clinton's email below stating payment has been made in full and Sales Tax is removing its protest of this liquor license renewal for Taku Lanes LLC. #5095.
Di

From: Clinton Singletary <Clinton.Singletary@juneau.org>
Sent: Monday, November 4, 2019 3:51 PM
To: City Clerk <City.Clerk@juneau.org>; Di Cathcart <Di.Cathcart@juneau.org>
Cc: Jeff Rogers <Jeff.Rogers@juneau.org>
Subject: RE: Nov 4 Assembly meeting

Di,

Wanted to let you know I just received payment in full for Taku Lanes LLC.

The Sales Tax Office is no longer protesting this license action.

Clinton Singletary
City & Borough of Juneau
Sales Tax Administrator
Ph: (907)586-0361
Fax: (907-586-0365

From: City Clerk <City.Clerk@juneau.org>
Sent: Monday, November 4, 2019 12:25 PM
To: Borough Assembly <BoroughAssembly@juneau.org>
Cc: Clinton Singletary <Clinton.Singletary@juneau.org>
Subject: FW: Nov 4 Assembly meeting

Hello,
We received the attached letter from Mr. Jeff Hansen regarding protest of Taku Lanes LLC liquor license renewal. I let Mr. Hansen know that I would forward it to the Borough Assembly prior to tonight's meetings and will have hard copies in red folders for you.
Di

From: Jeff Hansen <jeffhans@gci.net>
Sent: Monday, November 4, 2019 12:07 PM
To: City Clerk <City.Clerk@juneau.org>
Cc: 'Greg Smith' <Greg.Smith@akleg.gov>; 'JJake' <JimJake99@comcast.net>
Subject: Nov 4 Assembly meeting

I have attached a letter for you to forward to the HRC prior to the meeting this evening.

Thank you………..Jeff Hansen

Office of the Municipal Clerk November 4, 2019

My name is Jeff Hansen and I am writing this regarding the letter sent from the City Clerk's office to Cindy Price (Taku Lanes LLC) informing her that the City of Juneau intends to protest her liquor license renewal application unless the sales tax past due amount is paid. The letter further stated that this needs to be resolved prior to the Assembly Meeting on November 4th in order to avoid the protest.

A liquor license is imperative if the operation of the bowling facility has any chance to be successful. It is not that so much revenue is generated by the sale of alcohol, it is that many potential customers just won't choose to go bowling if they can't buy a beer while there. The result is not enough bowlers to generate the revenue to pay the bills. We know that is true because we had that experience after losing the liquor license this year.

Because the liquor license is so important and we cannot take the risk of the City's protest, I have made arrangements for the entire $6,343.34 to be paid today. This amount includes unpaid sales tax, liquor tax, penalties, late filing fees and interest. I called the city sales tax office last Thursday so see if we could work something out. As the manager of a former business in Juneau I feel very strongly that sales tax collected must be paid to the city, so I offered to pay the sales tax, liquor tax and even the interest accrued if we could get a break from the late filing fees and penalties. After a couple of pleasant phone calls with Clinton, I was told "they" decided that the entire amount needs to be paid. I was told that I should appear before the Assembly on Monday and plead my case for relief from the penalties. However, that is not possible as I am out of town and won't return to Juneau until this Wednesday (November 6th) so that is why I am paying the full amount.

The reason that I am getting involved in this is because I am half owner of the building. The reason I am half owner of the building is because in the fall of 2004 the owner/operator of the bowling facility in Juneau (Alaska Bowl) filed for bankruptcy. The building was scheduled to be sold at public auction with all indication that it would not continue as a bowling center. My partner Jim Jacobsen and I made arrangements to purchase the site for the sole purpose of making sure that bowling remained in Juneau. We intended to lease the facilities to an operator that would eventually purchase them from us. Fifteen years later we are starting up with our third lessee and we have the same goals….to preserve the bowling experience in Juneau and sell the facilities to a successful operator.

This is the last operating bowling facility in Southeast Alaska and we hope to keep bowling in the Capital City. I must admit that I was more than a little disappointed that the city was not willing to help us out in a small way.

Please be sure to remove the protest of the license renewal from the agenda for tonight's meeting.

Thank you,

Jeff Hansen, Partner
J & J Entertainment