

Introduced by: Council Member Eric Whitney
Introduction Date: November 27, 2012
Public Hearing: December 11, 2012
Action: Passed
Vote: 4-2
Amendment Proposed and Postponed January 8, 2013
Amendment Proposed January 14, 2013
Public Hearing January 22, 2013
Action on Passed
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CITY OF BETHEL, ALASKA

Ordinance #12-09

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING THE BETHEL MUNICIPAL CODE TO ENACT SECTION 4.17 EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS

BE IT ORDAINED by the City Council of Bethel, Alaska, that:

SECTION 1. Classification. This ordinance is of permanent nature and shall be codified within the Bethel Municipal Code.

SECTION 2. Enactment. Sections 4.17 of the Bethel Municipal Code Excise Tax on Cigarettes and Tobacco Products, is enacted as follows.

Chapter 4.17 Excise Tax on Cigarettes and Tobacco Products

- 4.17.010 Definitions
- 4.17.020 Tax on Cigarettes
- 4.17.030 Tax on Other Tobacco Products
- 4.17.040 Intent and Purpose of Chapter
- 4.17.050 Exemptions
- 4.17.060 Exemption Cards
- 4.17.070 License Required for ~~Dealers~~ Sellers of Cigarette or Tobacco Products - Issuance
- 4.17.080 License Fee
- 4.17.090 Expiration and Renewal of Licenses
- 4.17.100 Transfer of License
- 4.17.110 Refund of Tax or License Fee

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- 4.17.120 Display of License; Surrender of License; Suspension or Revocation of License
- 4.17.130 Tax Returns
- 4.17.140 Involuntary Returns
- 4.17.150 Amended Tax Returns
- 4.17.160 Application of Payments
- 4.17.170 Prohibited Acts and Penalties
- 4.17.180 Civil Fraud
- 4.17.190 Tax Lien
- 4.17.200 Interest on Unpaid Tax
- 4.17.210 Taxpayer, licensee, cardholder, or other person remedies
- 4.17.220 Reports by ~~Manufacturers~~ Distributors
- 4.17.230 Inspection and Maintenance of Documents and Records
- 4.17.240 Administrative Regulations
- 4.17.250 Confidential and Non-Confidential Tax Information

4.17.010 – Definitions

The following words, terms, and phrases, when used in this chapter, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. "Cardholder or Exemption Cardholder" means a person in whose name a valid and current exemption card has been issued by the Finance Director.
- B. "Cigarette" means a roll for smoking of any size or shape, made wholly or partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco.
- C. "Department" means the finance department of the City.
- D. "Distributor" means: (a) a person who brings cigarettes or other tobacco products or causes them to be brought into the city, and who sells or distributes them to others for resale in the city these tobacco products or (b) a person who supplies cigarettes to retailers for sale.
- E. "Exemption Card" means a city cigarette and tobacco products card issued under this chapter.
- F. "Finance Director" means the finance director of the City of Bethel or their designee.

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G. "Other tobacco products" means:

- o A cigar;
- o A cheroot;
- o A stogie;
- o A perique;
- o Snuff and snuff flour
- o Smoking tobacco, including granulated, plug cut, crimp-cut, and ready-rubbed tobacco, and any form of tobacco suitable for smoking in a pipe or cigarette;
- o Chewing tobacco, including Cavendish, twist, plug, or scrap tobacco, and tobacco suitable for chewing; or
- o An article or product made of tobacco or a tobacco substitute, but not including a cigarette as defined in this section or a tobacco substitute prescribed by a licensed physician.

H. "Person" includes an individual, company, partnership, joint venture, joint agreement, association (mutual or otherwise), corporation, syndicate, or political subdivision of this State, or combination acting as a unit including individuals who are employees or officers of any of the such entities who are under a duty to perform an act concerning which a violation of this chapter could occur. It is the intent of this chapter that such persons be personally liable for unremitted taxes.

I. "Place of business" means a place where cigarettes or other tobacco products are sold, or where they are brought or kept for the purpose of sale or consumption, including a vessel, vehicle, airplane or train.

J. "Retailer" means a person who brings cigarettes or other tobacco products or causes them to be brought into the City and who is engaged in the business of selling cigarettes or other tobacco products at retail.

K. "Sale" includes a sale, barter, exchange, and every other manner of transferring the ownership of personal property.

L. "Tax" means the cigarette and other tobacco products excise tax assessed pursuant to this chapter.

M. "Wholesale price" means the established price for which a manufacturer sells a tobacco product to a distributor or other person, after deduction of a discount or other reduction received by the distributor for quantity or cash.

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4.17.020 – Tax on Cigarettes

- A. The City hereby levies an excise tax of 100 mills, adjusted annually as provided in subsection B of this section, on each cigarette brought into the City for sale. Cigarettes upon which the tax is imposed are not again subject to the tax when acquired by another person.
- B. The annual Consumer Price Index adjustment shall be based on the August release date of the semiannual report for the Municipality of Anchorage from the United States Department of Labor statistics and determined to be the percent change to the current year from the average of the first and second half of the prior year, and will be effective January 1 of each year following the August release date. The first such adjustment date shall be January 1, 2014.

4.17.030 – Tax on Other Tobacco Products

An excise tax of forty-five (45%) percent of the wholesale price is levied on tobacco products, other than cigarettes, brought into the City for sale. Tobacco products upon which this tax is imposed are not again subject to this tax when acquired by another person.

4.17.040 – Intent and Purpose of this Chapter

- A. It is the intent and purpose of this chapter to provide for the collection of the excise tax from the ~~distributor~~ retailer who brings cigarettes or other tobacco products into the City for sale. The excise tax is levied when a ~~distributor~~ retailer:
 1. First acquires the cigarettes or other tobacco products within the city;
 2. Brings or causes cigarettes or other tobacco products to be brought into the city;
 3. Makes, manufactures, or fabricates cigarettes or other tobacco products in the city; or
 4. Ships or transports cigarettes or tobacco products into the city.
- B. Notwithstanding anything to the contrary contained in this chapter, the taxpayer shall be those persons described in this section and no others.

4.17.050 – Exemptions

- A. Military. Cigarettes and other tobacco products brought into or acquired in the City by a military exchange, commissary, or ship's store operated by one of the

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uniformed services of the United States as defined in 5 USC section 2101 are exempt from tax under this chapter if the cigarettes and other tobacco products are sold to and for the sole use of authorized personnel according to current military regulations.

- B. The tax imposed under this chapter does not apply to cigarettes and other tobacco products if the United States Constitution or other federal laws prohibit the levying of this tax on such products by the city.

4.17.60 – Exemption Cards

- A. Except as otherwise provided herein, no person may acquire cigarettes or other tobacco products in the City exempt of the tax unless that person has been issued an exemption card in accordance with this chapter. No licensee shall claim any exemption under this chapter unless cigarettes or other tobacco products for which exemption is claimed have been sold or transferred to a person presenting a valid and current exemption card issued by the department in accordance with this chapter prior to such sale or transfer.
 1. Any person with a current City of Bethel business license may apply for an exemption card under this section as an agent for merchants whose principal places of business are located outside of the City and who acquire from an agent cigarettes or other tobacco products exempt from the tax imposed under this chapter, provided each merchant has a valid State of Alaska business license with a tobacco endorsement and the line of business (LOB) code or equivalent thereon.
 2. A merchant acquiring cigarettes and other tobacco products through an agent under this section shall be considered an exemption cardholder for all purposes under this chapter.
 3. A person or licensee issued an exemption card as an agent under this section shall comply will all provisions of this chapter except the agent shall not be required to maintain records to prove that cigarettes and other tobacco products for which an exemption is claimed under the agent’s exemption card have been resold outside of the City by the merchant. Violation of any provision of this chapter relating to exemption cardholders by a licensee as agent for a merchant shall be grounds for revocation of the licensee’s license issued under this chapter.

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4. Notwithstanding anything to the contrary contained in or implied by other provisions of this chapter, the licensee shall be and remain the taxpayer liable for the payment of taxes due under this chapter.
- B. Application for an exemption card is restricted to person with an active physical business presence in the City of Bethel acting as an agent for merchants whose principal places of business are located outside of the City, shall be on a form provided by the department, and shall include the following information and such other information as the department may require:
1. The applicant's name and address;
 2. A copy of the applicant's current State of Alaska business license, including a tobacco endorsement and the line of business (LOB) code or equivalent;
 3. The merchant names and locations where cigarettes and tobacco products will be sold;
 4. Each application for an exemption card shall be accompanied by a fee of \$50.
- C. All exemption cardholders must maintain a valid, current business license, with a tobacco endorsement and line of business (LOB) code or equivalent, issued by the State of Alaska.
- D. Each exemption card, unless suspended or revoked by the Finance Director, is valid from its date of issue until the end of that calendar year and may be renewed each year upon application and payment of the fee to the department.
- E. The Finance Director may suspend, revoke or refuse to issue an exemption card under this section for any violation of or failure to comply with the requirements of this chapter by agent or cardholder, including any act or omission by such person which withholds, misstates or provides false or misleading information required by the department.

4.17.70 – License Required for Dealers in Cigarettes or Tobacco Products

- A. No person may sell, purchase, possess or acquire cigarettes or tobacco products in the City as a manufacturer, distributor, direct-buying retailer, vending machine operator or buyer without a license issued under this chapter.
- B. The department, upon application and payment of the fee, shall issue a license to each manufacturer, distributor, direct-buying retailer, vending machine operator or buyer. A copy of the applicant's State of Alaska business license required under AS

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43.50.010 – AS 43.50.390 must accompany the application. The application must include the following information:

1. The applicant's name and address;
 2. The name under which the cigarette or tobacco products business will be conducted;
 3. The applicant's cigarette or tobacco products business categories as a manufacturer, distributor, direct-buying retailer, vending machine operator or buyer;
 4. In the case of vending machine operator, the number of vending machines which will be operated;
 5. Proof of a valid State of Alaska Business license with a tobacco endorsement ; and
 6. Other information required on the department's application form.
- C. The department may refuse to issue a license if there is reasonable cause to believe that the applicant has willfully withheld information requested to determine the applicant's eligibility to receive a license, or if there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith.
- D. The department shall refuse to issue a license if the applicant is delinquent on their city sale's tax at the time of their application. If the applicant has been delinquent for more than thirty (30) days in the twelve (12) months preceding the license application, the City shall have the discretion to issue a provisional license subject to monthly review and subject to on-time remittance of City sales taxes.
- E. A license required by this chapter is in addition to any other license required by law or City code.
- F. A license issued under this chapter shall include:
1. The name and address of the licensee;
 2. The type of business to be conducted;
 3. The address at which the business is conducted; and
 4. The years for which the license is issued.

4.17.080 – License Fee

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For each license issued under this chapter, and for each renewal, the fee is One Hundred (\$100) per calendar year. This license shall be in addition to the business license required by Bethel Municipal Code (BMC).

4.17.090 – Expiration and Renewal of Licenses.

A license issued under section 4.21.070 expires on December 31. A licensee, on application to the department accompanied by the renewal fee, may, before the expiration of the license, renew the license for two years from the expiration date of the license. If the licensee moves the business to another location within the City, the license shall, upon application to the department, be reissued a license for the new location for the balance of the unexpired term. A person whose license is lost, stolen or defaced shall immediately file an application with the department for reissuance of the license for the balance of the unexpired term.

4.17.100 – Transfer of License

A license issued under this chapter is not assignable or transferable. However, in the case of death, bankruptcy, receivership or incompetency of the licensee, or if the business of the licensee is transferred to another person by operation of law, the department may in its discretion extend the license for a limited time to the executor, administrator, trustee or receiver, or the transferee of the licensee.

4.17.110 – Refund of Tax or License Fee

- A. The department shall not refund the license fee paid pursuant to this chapter upon the surrender or revocation of a license after the beginning of the license year. Upon application, the department may refund a license fee that is paid or collected in error.
- B. If a remittance by a licensee exceeds the amount due, and the department, on audit of the account in question, is satisfied that this is the case, the department shall, upon written request of the licensee, refund the excess to the licensee without interest.
- C. Any claim for refund filed more than one year after the due date of the tax is forever barred.

4.17.120 – Display of License; Surrender of License; Suspension or Revocation of License.

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- A. A license issued under this chapter must be prominently displayed at the licensee's place of business.
- B. A licensee shall surrender a license within ten (10) days after:
 - 1. A revocation of a license;
 - 2. A cessation of business;
 - 3. A change of ownership of; or
 - 4. A change of a place of business.
- C. The Finance Director may suspend or revoke a license issued under this chapter:
 - 1. For violation of this chapter or a regulation of the City adopted pursuant to this chapter; or
 - 2. If a licensee ceases to act in the capacity for which the license was issued; or
 - 3. If the licensee fails to submit their taxes due in a timely manner as required by City Code.

No person whose license is suspended or revoked shall sell cigarettes or tobacco products or permit cigarettes or tobacco products to be sold during the period of the suspension or revocation on the premises occupied or controlled by that person. No disciplinary proceedings or action is barred or abated by the expiration, transfer or surrender, renewal or extension of a license issued under section 4.21.060.

4.17.130 – Tax Returns

On or before the last day of the month following the period for which the return is required to be submitted a licensee shall submit to the office of the finance director all taxes required to be collected, as well as any interest, penalty, costs and charges due. In addition, licensees shall submit a tax return, upon forms provided by the department, for each license.

- A. The return shall be signed under penalty of perjury by the licensee or his agent and must include:
 - 1. The name and address of the licensee.
 - 2. The name and address of the person filing the return, if different from the licensee.
 - 3. The number of licenses issued under section 4.17.070
 - 4. The name under which the cigarette or tobacco business is being conducted.

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5. The number of cigarettes manufactured, brought into or acquired in the City during the preceding month from any source whatsoever.
 6. The wholesale price of all tobacco products brought into or acquired in the City during the preceding month from any source whatsoever
 7. The names of persons from whom cigarettes or other tobacco products were brought into or acquired in the City during the preceding month from any source whatsoever.
 8. The number of cigarettes brought into or acquired in the City from each person named in subsection A.7. of this section.
 9. Deductions claimed for the number of cigarettes and the wholesale price of other tobacco products for which exemptions are claimed under this chapter.
 10. Deductions claimed for the number of cigarettes and the wholesale price of other tobacco products, specified in the return in response to subsections A.5. and A.6. of this section, for which the tax has been paid previously by another person.
 11. The amount of tax due on the nonexempt cigarettes manufactured, brought into or acquired in the City during the preceding month; and the amount of tax due based on the wholesale price of nonexempt other tobacco products manufactured, brought into or acquired in the City during the preceding month.
 12. Other information and supporting documentation which may be required by the department with the return.
- B. Each licensee shall report the cigarette and other tobacco product sales for which an exemption is claimed under 4.17.050C as deduction on its monthly tax return to the department and shall provide a copy of an invoice or other document satisfactory to the department supporting each sale to a cardholder.
- C. A tax return must be filed even if there were no cigarettes or tobacco products manufactured, brought into or acquired in the City during the preceding month.
- D. The taxes imposed under this chapter and the return required by this section must be received by the department or postmarked on or before the last day of each calendar month following the month covered by the return.

4.17.140 – Estimated Tax

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- A. On or after the fifth (5th) day of delinquency in the filing of the required tobacco tax return or the failure to remit all taxes, interest and penalty due, or upon a determination of a delinquency based upon an audit, the Finance Director shall assess against the delinquent seller a tobacco tax for the delinquent periods based on a reasonable estimate of the gross taxable tobacco sales computed from an audit or the tax returns submitted by the delinquent seller. If the finance director determines that information from prior tax returns is not adequate for computing a reasonable estimate of the gross taxable tobacco sales, other sources of information, including but not limited to information derived from similar businesses, may be used. Notice of the estimated assessment shall be provided to the seller by certified mail. Such assessment shall be due and owing retroactively from the first (1st) day of delinquency and shall be subject to the interest, penalty and other costs and charges as provided in this chapter.
- B. The estimated assessment of tobacco sales tax and other amounts due and owing, as provided in subsection A of this section, shall be deemed to be admitted to be the amount due and owing to the city unless the Finance Director receives, within twenty (20) days of the date of the certified mailing of notice of the estimated assessment, an accurate and complete tobacco tax return for the delinquent periods together with full remittance of all taxes, interest, penalty, costs and other charges due, or the seller remits the amount due under protest under the provisions of BMC 4.17.210.

4.17.150 – Amended Tax Returns

- A. Any tax return filed under 4.17.130 may be amended by the licensee.
- B. Any tax return prepared and filed by the department on behalf of the licensee under section 4.17.140 may be amended by the licensee within one year of the date filed by the department.
- C. No amendment by the licensee shall be allowed after this one year period.

4.17.160 – Application of Payments

Any payment submitted to the department for any taxes, penalties, interest or costs due under any provision of this chapter or any return or any finding or

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determination by the department under this chapter shall be credited to the monthly tax period for which remitted first to the payment of costs and then to penalties, interest and taxes in that order.

4.17.170 – Prohibited Acts and Penalties

A. No distributor may:

1. Import cigarettes or other tobacco products into the City;
2. Sell, transfer or acquire cigarettes or other tobacco products in the City; or
3. Participate in the importation into the City or in the sale, transfer or acquisition within the City of cigarettes or other tobacco products in violation of or without complying with the provisions of this chapter.

B. A penalty of six (6%) percent of the taxes due shall be incurred automatically when a person fails to pay the full amount of the tax due under this chapter within seven (7) calendar days following its due date. An additional penalty of six (6%) percent of the taxes due shall be incurred automatically when a person fails to file a tax return or report within seven (7) calendar days following its due date under this chapter. If a person fails to pay the full amount of the tax due and/or file a tax return or report required under this chapter with sixteen (16) calendar days after its due date, the six (6%) penalties incurred above shall be increased automatically to fifteen (15%) percent.

1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.
2. Notice of the penalties incurred and to be incurred shall be given to the person responsible for payment of the taxes or filing the return or report when such tax payment or return or report is delinquent for seven (7) calendar days after its due date.
3. The penalties provided for in this section shall be in addition to all other penalties and interest provided for under this chapter.

C. If a properly filed, amended return reduces the total tax liability or the tax required to be paid, or the department reduces the tax liability, the related penalty will be reduced accordingly.

D. All penalties and remedies enumerated in this chapter are cumulative.

E. Unless otherwise provided in this section, any person who violates or fails to comply with the provisions of this chapter shall be personally liable for all costs, interest, penalties and taxes due under this chapter plus a penalty equal to thirty

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(30%) of the tax due. For good cause shown, Finance Director may waive or reduce all or part of any penalty imposed under this subsection.

4.17.180 – Civil Fraud

- A. A civil fraud penalty may be assessed against a person in addition to a penalty for failure to file or failure to pay.
- B. If it determined by the Finance Director that a tax deficiency or part of a tax deficiency is due to fraud, then a penalty will be added to the tax. The penalty is fifty (50%) percent of the deficiency due or One Thousand (\$1,000) Dollars, whichever is greater. The penalty is computed on the total amount of the deficiency due.
- C. Fraud is the intentional misrepresentation of a material fact with the intent to evade payment of tax which the person believed to be owing. The person must have had knowledge of its falsity and intended that it be acted upon or accepted as the truth.
- D. To establish civil fraud, the Finance Director must prove by clear and convincing evidence that:
 - 1. The tax liability reported was understated; and
 - 2. The understatement was the result of an intent to evade tax.
- E. An intent to evade tax may be demonstrated by any relevant evidence, including but not limited to the following:
 - 1. The person has provided false explanations regarding understated or omitted acquisitions of cigarettes or tobacco products;
 - 2. The person has provided falsified or incomplete source documents;
 - 3. The person has not justified an omission or understatement of a significant amount of acquisitions of cigarettes or tobacco products; or
 - 4. The person has substantially overstated a deduction and has failed to justify the overstatement.

4.17.190 – Tax Lien

- A. If any person who is liable to pay a tax or license fee under this chapter neglects or refuses to pay the tax or licensee fee after demand, the amount, including interest, additional amounts, or assessable penalty together with costs, is a lien in favor of the City upon all property and right to property, real or personal, belonging to that person.

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- B. The lien imposed by this section arises upon delinquency and continues until the amount is paid or a judgment against the person arising out of the liability is satisfied.
- C. A lien arising out of a tax due under this chapter, including the penalties and interest on the tax, is, subject to AS 29.45.300, a lien prior, paramount and superior to all other liens, mortgages, hypothecation, conveyances and assignments, upon all real and personal property of the person liable for the tax and upon all the real and personal property used with the permission of the owner to carry on the business which is subject to the tax.
- D. The lien and real property may be enforced as provided in AS 29.45.300 – 29.45.480 for enforcement of real and personal property tax liens.

4.17.200 – Interest on Unpaid Tax

In addition to any penalties imposed by this chapter, interest at the rate of fifteen (15%) percent annum shall be charged on the unpaid balance of delinquent taxes.

4.17.210 – Administrative Hearings - Taxpayer, Licensee, Cardholder or other Person Remedies

- A. Any person aggrieved by any action of the department in issuing, suspending, revoking or refusing to issue any license or exemption card under this chapter or in fixing the amount of taxes, penalties, interest or costs under this chapter may file a written protest to the Finance Director within twenty (20) days from the date the department mails or takes action. Upon timely protest, the Finance Director (~~the hearing officer~~) shall review the protest and issue written findings no more than thirty (30) days after receipt of the protest.
- B. Any person who disagrees with the decision of the Finance Director may file a written request for an appeal within fifteen (15) days of the Finance Director's written decision by filing a written request for appeal and paying the appropriate appeal fee. An application for a hearing (appeal) must notify the City of the specific action complained of and the amount of tax, interest, cost or penalty contested or action contested and the reason it is contested.
- C. Upon timely receipt of a request for appeal, the City Manager shall hold a hearing on the matter to determine whether a correction is warranted. Hearings before the City

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Manager under this subsection may, at the option of the City Manager, be conducted by an administrative hearing officer designated by the City Manager.

- D. The Hearing Officer shall conduct the hearing and prepare written findings and conclusions.
- E. Within thirty (30) days after receipt of a written decision by the hearing officer, a person may appeal to the Superior Court of the Fourth Judicial District at Bethel. The person shall be given copies of access to the department's file in the matter for preparation of the appeal.
- F. A request for appeal is filed on the date it is personally delivered, or, if delivered to the department by United States mail, the date of the postmark stamped on the properly addressed cover in which the request is mailed. If the due date falls on a Saturday, Sunday or holiday, the due date is the next working day. A current mailing address must be provided to the department with the request for appeal, and any change in mailing address after the request for appeal is filed must be reported to the department.
- G. If the notice to the person pursuant to subsection A of this section shows an amount due the department, the uncontested portion of the amount due must be paid within thirty (30) days after the date of the notice. If the uncontested amount is not paid within thirty (30) days, collection action will be taken on that amount even if the person has filed a request for appeal. Payment of the total amount due may be made at any time before the hearing. If the department has reason to believe that collection of the total amount due might be jeopardized by delay, immediate payment of the total amount will be demanded and the department may pursue any collection remedies provided by law. Payment in full does not affect the person's right to a hearing.
- H. If a person requests a hearing and fails to appear at the hearing, the hearing officer may issue a decision without taking additional evidence from that person, unless that person shows good cause for failure to appear within seven (7) days after the date scheduled for the hearing.
- I. Taxes, license fees, penalties and interest declared to be due in the final administrative decision must be paid within thirty (30) days after the date of the decision, or a bond must be filed with the court in accordance with Alaska Court Rules of Appellate Procedures.

4.17.220 – Reports by Manufacturers Distributors

Introduced by: Council Member Eric Whitney
 Introduction Date: November 27, 2012
 Public Hearing: December 11, 2012
 Action: Passed
 Vote: 4-2
 Amendment January 8, 2013
 Proposed and Postponed
 Amendment January 14, 2013
 Proposed
 Public Hearing January 22, 2013
 Action on Passed
 Amendment 5-1

No later than the end of each calendar month, a ~~manufacturer~~ distributor shall submit a report to the department stating:

1. A list of the tobacco products, the quantity and their wholesale price and the number of cigarettes which were brought into the city from the ~~manufacturer~~ distributor during the preceding month;
2. The names and address of those persons bringing cigarettes and tobacco products into the city from the ~~manufacturer~~ distributor during the preceding month; and
3. A list of the quantity of tobacco products, the wholesale price, and the number of cigarettes brought from the ~~manufacturer~~ distributor into the city by each person named in subsection 2 of this section.

4.17.230 – Inspection and Maintenance of Documents

- A. Every person subject to this chapter shall keep a complete and accurate record of all cigarettes and other tobacco products manufactured, purchased, sold, brought into, transported outside of or acquired in the city by such person.
 1. Except in the case of a manufacturer, the records shall include a statement containing the name and address of the person from whom cigarettes or other tobacco products were purchased or acquired, the date of delivery, the quantity of cigarettes and other tobacco products, the trade name and brand, and the price paid for other tobacco products purchased.
 2. Each invoice or other documentation of the sale of cigarettes or other tobacco products within the City shall state whether the tax imposed under this chapter has been paid.
 3. Persons subject to this chapter shall keep such other documents and records as the department prescribes.
 4. All documents and records required by this section shall be preserved by person subject to this chapter for three years. All records and documents required by this chapter to be kept or retained are subject to inspection within the city upon demand by the department.
- B. A licensee transferring or selling cigarettes or other tobacco products to a cardholder must keep a record of cigarettes and other tobacco products transferred or sold to such person, including the serial number of the exemption card.
- C. The Finance Director may, during business hours, enter the business premises of a licensee or cardholder where cigarette or other tobacco products are kept or stored,

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Action on Amendment	Passed
	5-1

so far as it may be necessary for the purpose of examining such products and the related business records.

4.17.240 – Administrative Regulations

The Finance Director, or his designee, may adopt regulations providing for the application and interpretation of this chapter and providing methods and forms and collecting the tax imposed in this chapter.

4.17.250 – Confidential and Non-Confidential Tax Information

A. The following information is publicly available information:

1. Names and addresses of business owners who filed tax returns under this chapter;
2. Whether a business is registered to collect taxes under this chapter in the City of Bethel;
3. Whether a business is current in filing tax returns and in remitting taxes due under this chapter, and the number of returns not filed; and
4. Names and exemption numbers of those entities which have received a tax-exempt number from the City of Bethel relating to taxes due under this chapter.

B. The City of Bethel may permit any authorized representative of any federal, state or other local government agency to inspect and copy any tax returns filed and reports prepared under this chapter, if the other governmental agency provides substantially similar access to the City of Bethel, files a timely request in accordance with the City's public request for information procedures, and if the City of Bethel determines that the other governmental agency provides adequate safeguards to the confidentiality of the tax returns and reports.

C. Except as otherwise provided in this section, tax forms and their contents are confidential and shall not be disclosed by the finance department except:

1. In connection with efforts by the City of Bethel to collect the tax;
2. In response to a subpoena issued by a court, state agency or governmental board or commission;
3. In connection with legislative inquiry specifically authorized by the assembly;
4. In connection with the City of Bethel audits for purposes of verifying City of Bethel accounting practices;

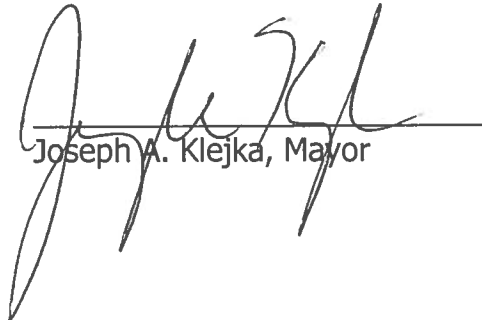
Introduced by: Council Member Eric Whitney
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5. In compilation of statistics and studies by the finance department for public distribution, so long as information from individual businesses is not identifiable as to source.

SECTION 3. Effective Date. ~~This ordinance shall become effective immediately, upon passage by the City Council. This Ordinance shall become effective sixty (60) days from the date of passage.~~ This Ordinance shall become effective March 1, 2013.

ENACTED THIS 11 DAY OF DECEMBER 2012, BY A VOTE OF 4 IN FAVOR AND 2 OPPOSED.

ATTEST:



Joseph A. Klejka, Mayor



Lori Strickler, City Clerk