

Introduced by: Council Member Springer
Introduction Date: June 8, 2021
Public Hearing Date: June 22, 2021
Action: Passed
Vote: 6-0

CITY OF BETHEL, ALASKA

Ordinance #21-28

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING BETHEL MUNICIPAL CODE 4.16.170, EXEMPTION CARDS, TO REMOVE THE BETHEL RESIDENCY REQUIREMENT FOR SENIOR CITIZEN SALES TAX EXEMPTION CARDS

WHEREAS, in 2017, the City of Bethel amended the sales tax chapter of the Bethel Municipal Code to modify how the municipality issues senior sales tax exemption cards;

WHEREAS, the 2017 amendment allowed Bethel-resident senior citizens to qualify for the exemption, but not senior citizens who did not reside in Bethel;

WHEREAS, the City of Bethel recognizes the cost of living in the Yukon-Kuskokwim Delta region is high, and wishes to promote affordability and tax relief for the elders throughout the region, many of whom come to Bethel to obtain goods and services;

NOW THEREFORE BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA:

SECTION 1. This is a codified Ordinance of general and permanent nature and shall become part of the Bethel Municipal Code.

SECTION 2. Bethel Municipal Code Chapter 4.16.170, Sales Tax Exemption Cards, is amended as follows; new language is underlined old language is stricken.

4.16.170 Exemption cards.

A. Sales to retailers, wholesalers, and senior citizens shall be exempted from sales tax only if the person requesting the exemption has obtained and produces a valid exemption authorization card.

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B. Federal, state, and tribal entities are not required to produce exemption cards. Sales to these entities are only exempt when the method of payment is made directly by the federal, state or tribal entity. Payments made by cash, personal check or personal credit card, even if on behalf of a federal, state or tribal entity, are never exempt.

C. *Cost.* The annual charges for an exemption card are as follows:

1. *Retailer/Wholesaler.* One hundred dollars (\$100) (maximum two (2) cards).
2. *Senior Citizen – Initial Card.* Free (maximum one (1) card).
3. *Senior Proxy Card.* Initial proxies: free; replacement/substitute proxies (fifteen dollars (\$15) each).
4. *Replacement Card.* Thirty dollars (\$30) each (first card); forty-five dollars (\$45) (all subsequent replacement cards).

D. With the exception of nonprofit organizations which are covered in BMC [4.16.190](#), any person, corporation or other organization claiming an exemption under BMC [4.16.160](#) shall apply to the city for an exemption authorization card within one (1) month of operating or conducting business or sales or performing services within the city in the first year in which sales are made, and thereafter shall apply by November fifteenth (15th) of each year for the following calendar year. Numbered exemption authorization cards will be issued by the city. The exemption authorization card must be shown to all sellers and must be recorded at the time of sale by the seller. The exemption is valid only for those items that are purchased for resale as described under BMC [4.16.160](#) or are purchased by persons, agencies and organizations that are exempted by city, state or federal law. Any person that believes an attempt to purchase unauthorized items as tax exempt is being made at their place of business may refuse to accept the exemption card.

E. The following require an exemption card in order to qualify for the exemption:

1. Exemptions for sales for resale (sales to retailers);
2. Exemptions for sales to wholesalers; and
3. Exemptions for senior citizens.

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F. Persons requesting an exemption card shall apply at the finance department on a form approved by the finance director. The application shall be accompanied by any applicable fee that is required under this section. The finance director may require additional information of the applicant as necessary to determine whether the application should be granted.

G. The exemption card will include, at a minimum:

1. For resale or wholesale:
 - a. General character of property or service sold by the purchaser in the regular course of business intended for resale;
 - b. Name and address of the purchaser;
 - c. Signature of the purchaser;
 - d. Expiration date; and
 - e. City of Bethel authorization exemption number.
2. For senior citizen:
 - a. Name and address of the qualified senior citizen or proxy;
 - b. Signature of qualified senior citizen or proxy;
 - c. Expiration date;
 - d. City of Bethel authorization exemption number.
3. For all others:
 - a. Name and address of the exempt entity;
 - b. Name and address of the qualified purchaser(s);
 - c. Expiration date; and
 - d. City of Bethel authorized exemption number.

H. *Time Frame.*

1. For resale or wholesale: An exemption card is issued for two (2) years and expires on December thirty-first (31st).
2. For senior citizen: An exemption card expires five (5) years from the date of issuance.

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3. For senior proxies: An exemption card expires two (2) years from the date of issuance.

I. *Proof.* The finance director may require, at a minimum, the following proof before issuance of an exemption card:

1. *Retailer Exemption Cards.*

- a. City of Bethel business license;
- b. State of Alaska business license;
- c. If tobacco is to be purchased, must also present proof of state and city tobacco licenses.

2. *Senior Citizen Exemption Cards.*

- ~~a. Proof of meeting the age requirement (must be at least sixty-five (65) years of age on January first (1st) of the year for which the exemption card is applied for); and~~
- ~~b. Proof of residence within the city of Bethel.~~

~~J. *Residency Requirement for Senior Citizen Exemption Cards.* Only bona fide residents of the city of Bethel are eligible to hold and use a senior citizen sales tax exemption card. In the event the person ceases to be a bona fide resident of the city, entitlement to the sales tax exemption shall automatically terminate, and the card shall be void as to that sales tax exemption.~~

~~1. For the purposes of this section, "resident of the city of Bethel" means a person who has established a residence in the city and has the intent to remain in the city indefinitely and makes their home in the city. A person demonstrates the intent required under this subsection by maintaining a principal place of abode in the city for at least one hundred eighty (180) consecutive days immediately preceding the date of application for the exemption card.~~

~~2. The one hundred eighty (180) consecutive day period provided for in this section may be reduced to thirty (30) days if:~~

- ~~a. The person has not been absent from the city of Bethel for more than twelve (12) months; and~~

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~~b. The person establishes to the satisfaction of the finance director that either:
(i) the absence was for medical treatment of the person or an immediate family member, or (ii) the absence was due to circumstances beyond their control.~~

K. *Proxy for Senior Citizen Exemption Cards.* If a person who is authorized to receive a senior citizen exemption authorization card is physically or mentally disabled so that the applicant is physically unable to use the card, the applicant may designate up to two (2) proxies on their exemption application. Proxy cards are nontransferable. Only those purchases on behalf of the senior citizen are exempted from the sales tax. Before a proxy card can be issued, the finance director shall require:

1. The names, addresses and legal identifications of the proxy shoppers;
2. Proof that the senior citizen is unable to personally use the card and requires a proxy;
3. Legal proof that the proxy has the authority to represent the senior citizen (for example, a court order appointing the proxy as guardian or a valid power of attorney).

L. *Nontransferable.* An exemption authorization card is nontransferable and must be surrendered to the city finance office upon disqualification for use for any reason.

M. An exemption authorization card executed by the purchaser must be in the possession of the purchaser at the time that an exempt transaction occurs.

N. The finance director may revoke an exemption authorization card after notice to the holder of the certificate and hearing, if the director finds that the holder:

1. Gave materially false information when applying for the exemption authorization card;
2. Used the exemption authorization card in a transaction that was not exempt from sales;
3. Permitted the use of the exemption authorization card by a person other than an authorized agent or employee of the holder of the exemption; or
4. Ceased to be entitled to exemption from sales tax.

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O. If the finance director revokes a person's exemption authorization card, that person is no longer exempt from paying sales tax under this chapter until the person obtains a new exemption authorization card which may not occur sooner than one (1) year after the revocation.

P. If the finance director revokes a person's authorization card, that person must pay sales tax, interest, penalties, etc., on all sales made to or by the person which were not duly exempt.


SECTION 3. This Ordinance shall become effective immediately following adoption by the Bethel City Council.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA THIS 22nd DAY OF JUNE 2021 BY A VOTE OF 6 IN FAVOR AND 0 OPPOSED.


[Michelle DeWitt \(Jun 30, 2021 14:29 AKDT\)](#)

Michelle DeWitt, Mayor

ATTEST:


Lori Strickler, City Clerk


Ordinance 21-28 Amending BMC Chapter 4.16.160 Tax Exemptions (1)

Final Audit Report

2021-06-30

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