

Introduced by: Acting City Manager  
Arnold  
Date: February 13, 2024  
Public Hearing: February 27, 2024  
Action: Passed  
Vote: 6-1

# CITY OF BETHEL, ALASKA

## Ordinance #24-01

### **AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING BETHEL MUNICIPAL CODE 4.17, EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS, TO ADD NON-TOBACCO NICOTINE PRODUCTS TO THE LIST OF OTHER TOBACCO PRODUCTS THAT ARE SUBJECT TO THE EXCISE TAX**

**WHEREAS**, a growing number of companies are manufacturing and marketing synthetic nicotine, called Non-Tobacco Nicotine (NTN);

**WHEREAS**, NTN does not come from a tobacco plant, but has similar molecular makeup as naturally-occurring nicotine;

**WHEREAS**, given the increasing availability of NTN, the Bethel City Council wishes to include in the definition of "other tobacco products" subject to the excise tax under BMC 4.17.010 NTN products;

**WHEREAS**, according to the World Health Organization, evidence shows that significantly increasing the costs of cigarette, tobacco products, and NTN products results in fewer children starting to use these products;

### **NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA:**

**SECTION 1. Classification.** This ordinance is permanent in nature and shall be placed in the Bethel Municipal Code.

**SECTION 2. Amendment.** Bethel Municipal Code 4.17, Excise Tax on Cigarettes and Other Tobacco Products, is amended. Old language is stricken, and new language is underlined.

#### Sections:

- 4.17.010 Definitions.
- 4.17.020 Tax on cigarettes.
- 4.17.030 Tax on other tobacco products.

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#### 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: (1) 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 or (2) 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.
- G. "Other tobacco products" means:
  - 1. A cigar;
  - 2. A cheroot;
  - 3. A stogie;
  - 4. A perique;
  - 5. Snuff and snuff flour;

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6. 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;

7. Chewing tobacco, including Cavendish, twist, plug, or scrap tobacco, and tobacco suitable for chewing; or

8. An article or product made of tobacco or a tobacco substitute, or otherwise containing nicotine from any source, that is expected or intended for human consumption, but not including a cigarette as defined in this section or a tobacco substitute prescribed by a licensed physician; or

9. Any noncombustible device that provides vaporized or aerosolized liquid nicotine or other tobacco product to the user or relies on vaporization or aerosolization of any liquid or solid nicotine, including devices manufactured or marketed as e-cigarettes, e-cigars, e-pipes, or any other product name.

10. Other tobacco products excludes:

a. Cigarettes as defined in this section.

b. Tobacco substitute prescribed by a license physician, and

c. Nicotine patches, gum, lozenges, and other products approved by the Federal Drug Administration to be nicotine replacement therapy and/or tobacco cessation products intended to help quit tobacco use and minimize symptoms of nicotine addiction.

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.

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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.

#### **4.17.020 Tax on cigarettes.**

A. The city hereby levies an excise tax of one hundred (100) mils, 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 halves of the prior year, and will be effective January first (1st) 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

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which this tax is imposed are not again subject to this tax when acquired by another person.

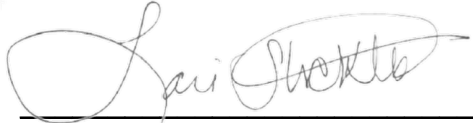
**SECTION 3. Effective Date.** This ordinance shall become effective on April 1, 2024, following the adoption by the Bethel City Council.

**ENACTED THIS 27 DAY OF FEBRUARY 2024, BY A VOTE OF 6 IN FAVOR AND 1 OPPOSED.**

  
Mark Edward Springer (Feb 28, 2024 11:44 AKST)

Mark Springer, Mayor

ATTEST:

  
Lori Strickler, City Clerk

# Ordinance 24-01 Amending BMC 4.17 Excise Tax On Cigarettes And Tobacco Products

Final Audit Report


2024-02-28

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## "Ordinance 24-01 Amending BMC 4.17 Excise Tax On Cigarettes And Tobacco Products" History

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 Document e-signed by Mark Edward Springer (mspringer@cityofbethel.net)

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