

Introduced by: Council Member Snow
Date: March 12, 2024
Public Hearing: March 26, 2024
Action: Passed
Vote: 5-0

CITY OF BETHEL, ALASKA

Ordinance #24-03

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING BETHEL MUNICIPAL CODE 4.16.170, EXEMPTION CARDS, TO REMOVE THE EXPIRATION DATE ON SENIOR EXEMPTION CARDS

WHEREAS, the sales tax provisions of the Bethel Municipal Code (BMC) exempt certain persons and individuals from having to pay sales tax, including senior citizens 65 years of age or older;

WHEREAS, the BMC currently requires senior citizens to periodically re-apply for an exemption cards;

WHEREAS, because the senior status of a citizen does not change, Council wishes to simplify the application process for senior citizens by removing the re-application requirement, so that they need only apply once for an exemption card; and

WHEREAS, the senior exemption card will then be valid for the lifetime of the senior citizen.

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 4.16.170, Exemption cards, is amended. Old language is stricken, and new language is underlined.

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.

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

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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) per calendar year (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, except for senior citizens, 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 of the proxy;
- 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

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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.~~

2. 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. 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).

J. Repealed by Ord. 21-28.

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;

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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.


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. Effective Date. This ordinance shall become effective upon adoption by the Bethel City Council.

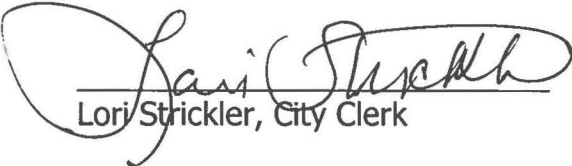
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ENACTED THIS 26th DAY OF MARCH 2024, BY A VOTE OF 5 IN FAVOR AND 0 OPPOSED.



Rose Henderson,
Mayor Pro Tem

ATTEST:



Lori Strickler, City Clerk