



CITY OF BETHEL

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Introduced by: Council Member McComas

Date: May 9, 1995

Action: Postponed

Reintroduction Date: June 27, 1995

Public Hearing: July 11, 1995

Action: Failed

Vote: 2-Yes, 5-No (Chris, Harding, Swanson, Tubbs, Wintersteen)

ORDINANCE #95-12

AN ORDINANCE OF THE BETHEL CITY COUNCIL AMENDING SECTIONS 4.16.010, 4.16.020, 4.16.050 AND 4.16.090 OF THE BETHEL MUNICIPAL CODE TO CHANGE THE MANNER IN WHICH SALES TAX IS COLLECTED AND REMITTED TO THE CITY ON SALES OF GAMES OF SKILL AND CHANCE

BE IT ENACTED BY THE BETHEL CITY COUNCIL AS FOLLOWS:

Section 1. Classification. This is a code ordinance.

Section 2. This ordinance shall not be construed as abating any action now pending under, or by virtue of, prior existing laws or as discontinuing, abating, modifying, or altering any penalty accruing or about to accrue, or as affecting the liability of any person, or as waiving any right of the City under any section or provision existing at the time this ordinance is adopted, or as vacating or annulling any right obtained by any person, firm, or corporation, by lawful action of the City except as shall be expressly provided for in this title.

Section 3. Severability. If any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 4. Legislative Findings. The City Council finds that differences between the manner in which sales tax is collected and remitted to the City on sales of games of skill and chance and the manner in which sales tax is collected and remitted to the City on all other retail sales is justified because:

A. Games of skill and chance are operated by non-profit entities in order to raise funds for the activities of the non-profit entity operating the games of skill and chance.

B. The funds raised by non-profit entities through the sales of games of skill and chance are returned to the citizens of Bethel for the general public good through charitable activities including donations of goods and services to the needy, educational scholarships for Bethel

residents and special maintenance and construction projects that benefit all citizens of Bethel.

C. The funds raised through the sales of games of skill and chance that will be available for return to the citizens of Bethel for the general public good will be increased if the administrative burden of collection and remittance of the sales tax is reduced and if the tax is calculated on the net proceeds from the sales less the prizes awarded to purchasers.

D. It is administratively unpractical to collect sales tax on games of skill and chance by adding the sales tax to the selling price of the game as currently required by BMC 4.16.050 because of the volume of customers and the nature of the business.

E. The administrative burden of tax collection and remittance will be decreased if sellers of games of skill and chance are allowed to include the sales tax in the purchase price.

F. Calculation of the tax due on the net proceeds of sales of games of skill and chance will result in additional sums being available for distribution by the non-profit entities operating the games of skill of chance to the citizens of Bethel.

G. The public good is equally served through distributions of the proceeds raised through the sales of games of skill and chance by the non-profit entities selling the games of skill and chance as it is through the expenditure of a portion of these funds for the operation of municipal government.

Section 5. Contents. Section 4.16.010 of the Bethel Municipal Code is hereby amended by adding a new section C entitled "Net Proceeds" and renumbering current sections C-I as sections D-J. The new subsection C shall read as follows:

C. "Net Proceeds" means the gross receipts realized from the sales of games of skill and chance less the gross amounts of prizes awarded to purchasers of games of skill and chance.

Section 6. Contents. Section 4.16.020 of the Bethel Municipal Code is hereby amended by modifying subsection A to read as follows:

A. There shall be levied and collected a sales tax of five percent of the selling price on all retail sales transactions in the city except as provided in subsections B and C of this section

and by adding a new subsection C to read as follows:

C. Games of Skill and Chance. There shall be levied and collected a sales tax of five percent of the net proceeds of sales of games of skill and chance.

Section 7. Contents. Section 4.16.050(A) of the Bethel Municipal Code is hereby amended to read as follows:

A. Sellers shall add sales tax to the selling price of all goods other than games of skill and chance. Such sales tax is a debt from the buyer or consumer to the seller until paid, and

the same is recoverable at law in the same manner as other debts.

Section 8. Contents. Section 4.16.090 of the Bethel Municipal Code is hereby amended to read as follows:

A. For each separate business entity and location, a seller shall complete a city sales tax return reporting accurately and completely in a manner established by the form, all retail sales transactions during the preceding calendar month. Each sales tax return shall set forth the gross receipts of the retail business for the calendar month, including all taxable and nontaxable transactions; the net proceeds from the sales of games of skill and chance; the amount of tax thereon; and such other information as the city clerk may require.

Section 9. Effective Date. This ordinance takes effect on the first day of the month after the date this ordinance is adopted.

PASSED AND APPROVED THIS _____ DAY OF _____, 1995.

Allan Wintersteen, Mayor

ATTEST:

Connie Tucker, City Clerk