

AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. APPROVAL OF AGENDA

- 1. Approval of Consent Agenda
 - a. Introduction to **Ordinance No. 20-001**: Amending Palmer Municipal Code Section 5.28 Relating to Itinerant Vendors Page 3
 - b. **Action Memorandum No. 20-005**: Authorizing the City Manager to Sign Palmer Museum of History and Art’s Services Contract Amendment No. 8 Page 11

E. REPORTS

- 1. City Manager’s Report Page 15
- 2. City Clerk’s Report
- 3. Mayor’s Report Page 17
- 4. City Attorney’s Report

F. AUDIENCE PARTICIPATION

G. NEW BUSINESS

- 1. **Resolution No. 20-008**: Approving the Alternative Allocation Method for Distribution of the FY20 Shared Fisheries Business Tax Program in FMA 14: Cook Inlet Area Page 19
- 2. **Action Memorandum No. 20-006**: Selecting the Golden Heart Lifetime Achievement Award Recipient(s)..... Page 27
- 3. **Action Memorandum No. 20-007**: Directing the City Manager to Notify the State of Alaska of the City Council’s Statement of Non-Objection to Liquor License No. 1194 for Caboose Lounge, Located at 606 S. Alaska Street..... Page 29
- 4. **Action Memorandum No. 20-008**: Directing the City Manager to Notify the State of Alaska of the City Council’s Statement of Non-Objection to Liquor License No. 1195 for Iron Horse Liquor, Located at 606 S. Alaska Street..... Page 33
- 5. **Action Memorandum No. 20-009**: Directing the City Manager to Notify the State of Alaska of the City Council’s Statement of Non-Objection to Liquor License No. 3058 for Moosehead Saloon, Located at 810 S Colony Way..... Page 37
- 6. **Information Memorandum No. 20-002**: Committee of the Whole for Discussion on General Election Matters (note: action may be taken by the council following the committee of the whole) Page 41
- 7. **Information Memorandum No. 20-003**: Committee of the Whole for Discussion on Remote Sales Tax Information from the Alaska Remote Sellers Sales Tax Commission (note: action may be taken by the council following the committee of the whole)..... Page 89

H. RECORD OF ITEMS PLACED ON THE TABLE

I. AUDIENCE PARTICIPATION

J. COUNCIL COMMENTS

K. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
Feb 11	Joint	6 pm	BED
Feb 11	Regular	7 pm	
Mar 10	Joint	6 pm	PRAB
Mar 10	Regular	7 pm	
Mar 24	Regular	7 pm	
Apr 14	Regular	7 pm	
Apr 21	Joint	6 pm	PZC
Apr 28	Regular	7 pm	
May 12	Regular	7 pm	Palmer High School Graduation
May 26	Regular	7 pm	
Jun 9	Regular	7 pm	
Jun 23	Regular	7 pm	

**City of Palmer
Ordinance No. 20-001**

Subject: Amending Palmer Municipal Code Section 5.28 Relating to Itinerant Vendors

Agenda of: January 28, 2020 – Introduction
February 11, 2020 – Proposed Public Hearing

Council Action: **Adopted** **Amended:** _____
 Defeated




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ _____

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Ordinance 20-001

Summary Statement/Background:

In 2019, the City of Palmer amended 5.28 roving vendors to update the purpose statement, revise definitions, update insurance requirements and standardize operating procedures. During the update the title of the ordinance was changed to Itinerant Vendors.

These changes originally occurred after review by the Board of Economic Development and the Planning and Zoning Commission. After one year of implementation staff has proposed changes for better clarification and consistency.

Suspension and revocation section(s) were amended to mirror business license suspension and revocation, making the two processes nearly identical.

Administration's Recommendation:

Adopt Ordinance No. 20-001 amending Palmer Municipal Code Chapter 5.28

LEGISLATIVE HISTORY

Introduced by: City Manager
Date: January 28, 2020
Public Hearing:
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Ordinance No. 20-001

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Section 5.28 Relating to Itinerant Vendors

WHEREAS, the City of Palmer, Alaska ("City") is a home rule city and, under Section 11 of Article X of the Alaska Constitution, may exercise all legislative power not prohibited by law or the Charter of the City, and the City has determined that the matter set forth in this ordinance is not prohibited by law or the Charter; and

WHEREAS, after one season of implementation, clarification for special event and special event sponsors is necessary to consistently administer Title 5.28 for compliance with land use regulation, licensing requirements and health and safety as well as to standardize processes associated with revocation and suspension of permits.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code Chapter 5.28.010 is hereby added to read as follows (new language is underlined and deleted language is stricken):

5.28.010 Special Event.

"Special Event" means activities or any kind of public celebration or event designated by the city manager such as Colony Days, Alaska State Fair parade, Friday Flings, events as street fairs, and large public gatherings as may be organized by a special event organizer ~~the Palmer Economic Development Authority, Palmer Chamber of Commerce or the Palmer Museum of History and Art,~~ a city department, or similar organizations and officially authorized by the city manager.

Section 4. Palmer Municipal Code Chapter 5.28.010 is hereby added to read as follows (new language is underlined, and deleted language is stricken):

5.28.010 (E) Special Event Organizer.

"Special Event Organizer" means any individual, business, organization, or other entity that is hosting, organizing, holding or sponsoring a special event that affects the standard and ordinary use of public property, streets, right-of way, or if on private property, will nevertheless affect, interfere with the standard, ordinary and normal use of public property.

Section 5. Palmer Municipal Code Chapter 5.28.015 is hereby amended (new language is underlined, and deleted language is stricken):

5.28.015 Purpose

D. Promote compliance with relevant building, land use regulatory requirements, licensing and permit requirements, fire, health and safety codes.

Section 6. Palmer Municipal Code Chapter 5.28.035(A)(B) is hereby amended (new language is underlined, and deleted language is stricken):

5.28.035 Exemptions

A. An itinerant vendor solely located at the Alaska State Fairgrounds, or a recognized Special Event are exempt from provisions of this chapter, however the itinerant vendor must obtain an Alaska State Fair or special Event Business license as applicable and remit sales tax due to the City of Palmer finance department.

B. An itinerant vendor that meets the criteria of the chapter for a special event as authorized by the city manager and has obtained a Special Event Business license, or an annual City of Palmer business license and remit sales tax due to the City of Palmer finance department.

Section 7. Palmer Municipal Code Chapter 5.28.050 is hereby amended (new language is underlined, and deleted language is stricken):

5.28.050 Permit – Suspension or revocation permit.

~~The director of community development may revoke an itinerant vendor permit for any of the reasons listed in 5.28.110~~

A. The city manager, or designee, may suspend or revoke an itinerant vendor permit if a permittee is in violation of any requirement of this chapter, code, or any regulation.

B. The city manager, or designee, may suspend the permit of a vendor who is delinquent in the remittance of sales tax or sales tax returns under Chapter PMC 3.16, Sales Tax.

C. A suspension issued under this section shall be effective immediately upon the giving of written notice of suspension for failure to remit and pay city sales taxes to the city.

D. A permit suspended under this section shall be lifted upon the permittee's compliance with the city sales tax requirements, including remittance and payment of all delinquent sales taxes, sales tax returns, interest and penalties.

Section 8. Palmer Municipal Code Chapter 5.28.160 is hereby added (new language is underlined, and deleted language is stricken):

5.28.160 Permit – Suspension or revocation – Notice

A. The city manager, or designee, may not suspend or revoke an itinerant vendor permit without first providing the vendor at least 15 days' written notice of the intent to suspend or revoke the itinerant vendor permit and an opportunity for a hearing on the suspension or revocation.

B. The notice required under this section shall be as follows:

1. Notice of the proposed revocation or suspension shall be made in writing and mailed via certified mail, return receipt requested, to the last known address of the permittee.

2. Notice of the proposed revocation or suspension shall contain the name and address of the permittee, the name of the itinerant vendor for which the permit was issued, and describe the reason for the revocation or suspension with citation to the relevant code provision, if applicable, and the name, address and telephone number of the city representative to contact concerning the proposed revocation or suspension.

3. The notice of suspension or revocation shall also contain a statement advising permittee of their right to request a hearing to challenge the proposed suspension or revocation pursuant to subsections (C) and (D) of this section.

C. The permittee has a right to a hearing on the proposed revocation or suspension by requesting a hearing in writing to the city representative identified in the notice of suspension or revocation not more than 30 days after the date of the notice of proposed revocation or suspension. Within 10 days of receipt of a written request for a hearing, the city manager, or designee, shall schedule a hearing on the proposed suspension or revocation pursuant to PMC 5.28.170.

D. Failure to request a hearing within 30 days of receipt of a notice of suspension or revocation constitutes a waiver of any further rights to appeal under this chapter and the decision of the city manager shall become final 30 days after the date of notice given pursuant to subsection (B) of this section.

Section 9. Palmer Municipal Code Chapter 5.28.050 is hereby added (new language is underlined, and deleted language is stricken):

5.28.170 Permit – Suspension or revocation – Hearing.

A. A hearing requested pursuant to PMC 5.28.160 shall be held before the city manager or designee. This hearing shall be recorded, conducted in an informal manner, and shall not be bound by the formal rules of evidence.

B. The purpose of the hearing shall be to determine whether good cause exists for suspending or revoking a permit issued under this chapter. Good cause exists when it is determined that the permittee is in violation of the requirements of this chapter or any other requirement of this code.

C. The permittee has the right to appear, present evidence, and examine and/or cross-examine witnesses for the purpose of establishing that permittee is not in violation of the requirements of

this chapter. The city manager, or designee, has the right to cross-examine any witnesses presented by the permittee.

D. Failure of the permittee to appear at the time set for a hearing requested under this section, except for good cause shown, shall result in a waiver of any further appeal rights and the decision of the city manager becomes final.

E. Within 10 days following the conclusion of the hearing, the city manager, or designee, shall issue a written decision whether to suspend or revoke the permit which contains written findings in support of the decision based upon the evidence presented at the hearing. A written decision to suspend or revoke an itinerant vendor permit issued pursuant to this chapter shall advise the permittee of their right to appeal the decision pursuant to PMC 5.28.180. A copy of the decision shall be provided to the permittee via certified mail, return receipt requested, and shall take effect immediately upon its issuance.

Section 10. Palmer Municipal Code Chapter 5.28.180 is hereby added (new language is underlined, and deleted language is stricken):

5.28.180 Appeals to superior court.

A. A permittee may appeal a decision made pursuant to PMC 5.28.170 not later than 30 days following the date of written notice of the decision from the city manager. Failure to appeal a decision made pursuant to PMC 5.28.170 within 30 days of the date of notice constitutes a waiver of his or her appeal rights and the city manager's decision becomes final.

B. Appeals from the written decision of the hearing officer shall be made to the superior court for the state of Alaska, in Palmer, Alaska. The hearing before the superior court shall be treated as an administrative appeal heard solely on the record and shall be governed by Part VI of the Alaska Court Rules of Appellate Procedure (Superior Court as an Appellate Court), as amended.

C. A permittee bringing an appeal under this section shall be responsible for the costs to prepare a transcript and record of the hearing conducted in accordance with PMC 5.28.170. Upon receipt of a notice of appeal, the city clerk shall estimate the cost of preparing the transcript of the hearing and compiling the record on appeal. The permittee shall deposit the estimated costs for preparation of the transcript and record with the city clerk in advance of preparation of the transcript and record. The city clerk shall refund any excess deposit or charge to the business owner for costs exceeding the deposit.

Section 11. Palmer Municipal Code Chapter 5.28.100 is hereby amended (new language is underlined, and deleted language is stricken):

5.28.100 Required insurance.

A. Before any permit is issued for an itinerant vendor that will operate on public property, the applicant shall furnish one or more policies or certificates of liability insurance issued by an insurance company authorized to do business in the state and reflecting the applicable coverage:

1. A vendor of food or beverages, ~~goods or services~~ shall have general liability including products liability insurance in the amount of \$1,000,000 combined single limit (CSL), ~~and~~ bodily injury and property damage per occurrence and \$2,000,000 aggregate.

2. A vendor may be covered under an special event organizer's general liability including products liability insurance. An event sponsor, including recognized special events, are

responsible for providing the city of Palmer with an additional insured and waiver of subrogation endorsement that includes the sponsor and all itinerant vendor permit holders.

B. No policy of insurance offered pursuant to this section shall be acceptable unless it is issued by an insurance company authorized to do business in Alaska or by an insurance company rated "A" or "B" by A.M. Best and Co. In addition, the policy must be approved by the municipal risk manager or the city's insurance broker as to matters of form.

~~C. Every insurance policy shall contain a clause obligating the insurer to give the director of finance written notice no less than 30 days before the cancellation, expiration, nonrenewal, lapse or other termination or alteration of such insurance. A lapse, cancellation, expiration, nonrenewal or other termination or alteration of such insurance shall cause the license to which it pertains to be automatically suspended for so long as the insurance required by this section is not in place.~~

Section 12. Effective Date. Ordinance No. 20-001 shall take effect upon adoption by the City of Palmer City Council.

Passed and approved this ____ day of _____, 2020.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

**City of Palmer
Action Memorandum No. 20-005**

Subject: Authorizing the City Manager to Sign Palmer Museum of History and Art's Services Contract Amendment No. 8

Agenda of: January 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
<u> ✓ </u>	Community Development	<u><i>[Signature]</i></u>	<u>January 8, 2020</u>
<u> </u>	Finance	<u> </u>	<u> </u>
<u> </u>	Fire	<u> </u>	<u> </u>
<u> </u>	Police	<u> </u>	<u> </u>
<u> </u>	Public Works	<u> </u>	<u> </u>

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u><i>[Signature]</i></u>	<u> </u>
City Attorney	<u><i>[Signature]</i></u>	<u> </u>
City Clerk	<u><i>[Signature]</i></u>	<u> </u>

Certification of Funds:

Total amount of funds listed in this legislation: \$

This legislation (✓):

- Creates revenue in the amount of: \$
- Creates expenditure in the amount of: \$ 46,200
- Creates a saving in the amount of: \$
- Has no fiscal impact

Funds are (✓):

- Budgeted Line item(s): 01-01-20-6030 Contractual Services
- Not budgeted

Director of Finance Signature: *[Signature]*

Attachment(s):

- Amendment No. 8 to Contract for Curatorial, Archival and Museum Services

Summary Statement/Background:

Approval of this Action Memorandum will authorize this year’s payments as approved in the FY 2020 Budget on December 10, 2019 to the Palmer Museum of History and Art (PMHA) for detailed museum services. The \$46,200 approved for FY 2020 is the same amount paid to the PMHA for these services in FY 2015 - FY 2019.

A contractual relationship has existed between the City and the Palmer Museum of History and Art (PMHA) designating the PMHA as the exclusive entity responsible for the care, custody, and control of historic artifacts owned by the City since March 2006. On June 28, 2005 the City Council approved Resolution 05-017 authorizing the City to enter into a contract with the PMHA, an Alaska non-profit corporation, to be the official caretaker of all historical artifacts and museum properties for the City. That relationship was formalized by the execution of an Agreement on March 10, 2006.

On February 14, 2012, a new Agreement between the City and Palmer Museum of History and Art was approved by Council. The 2012 Agreement expired on 12/31/2016. Thereafter the agreement may be renewed in writing and signed by both parties for two additional five-year periods. This agreement continues to require annual appropriation, funding section (II. F) has been amended each year since 2012.

The following table shows the history and compensation in the current contract for these services.

<u>Document</u>	<u>Approved by Council</u>	<u>Action Memorandum</u>	<u>Compensation</u>
Contract for Services	February 14, 2012	AM 12-012	\$ 40,000
Amendment #1	February 26, 2013	AM 13-011	\$ 44,000
Amendment #2	January 28, 2014	AM 14-010	\$ 44,000
Amendment #3	January 13, 2015	AM 15-009	\$ 46,200
Amendment #4	March 8, 2016	AM 16-023	\$ 46,200
Amendment #5	March 2, 2017	AM 16-023	\$ 46,200
Amendment #6	March 1, 2018	AM-18-023	\$ 46,200
Amendment # 7	February, 12, 2019	AM-19-016	\$ 46,200

Administration’s Recommendation:

To approve Action Memorandum No. 20-005 Authorizing the City Manager to Sign Palmer Museum of History and Art’s Services Contract Amendment No. 8

Agreement Between
City of Palmer and Palmer Museum of History and Art
For Curatorial, Archival and Museum Services

AMENDMENT NO. 8

This Amendment, dated _____, 2020 amends the Agreement for curatorial, archival and museum services approved by Palmer City Council on February 14, 2012, between the City of Palmer (City) and Palmer Museum of History and Art (PMHA) as follows:

II.F. Subject to the provisions of this Agreement, as compensation for PMHA's services, the City shall pay PMHA, the amount of \$46,200. As approved by the City Council in the FY 2020 Budget, the City shall pay Contractor as follows:

At signing	\$26,200
April 1, 2020	\$10,000
June 1, 2020	\$5,000
October 1, 2020	\$5,000
TOTAL	\$46,200

CITY OF PALMER

PALMER MUSEUM OF HISTORY AND ART

Nathan Wallace, City Manager

Patricia R. Chesbro, President

Date

Date

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On _____, 2020, Patricia R. Chesbro personally appeared before me,

1. [] who is personally known to me
2. [] whose identity I proved on the basis of _____
3. [] whose identity I proved on the oath/affirmation of _____,
a credible witness to be the signer of the Amendment No. 8 of the Contract for

Curatorial, Archival and Museum Services between the City and the Palmer Museum of History and Art and she acknowledged that she signed it.

Notary Public
My Commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On _____, 2020, Nathan Wallace, City Manager, personally appeared before me, who is personally known to me, to be the signer of the above document, and he acknowledged that he signed it on behalf of the City of Palmer.

Notary Public
My Commission expires: _____



Building Department Report
 DECEMBER 2019

Permit Type	Count	Total Valuation	Permit Fees Collected	Plan Review Fees Collected
Building Permit	2	\$29,402.00	\$559.00	\$201.75
Sign Permit	2	\$1,500.00	\$68.00	
Fence Permit	0	\$0.00	\$0.00	
Totals	4	\$30,902.00	\$627.00	\$201.75

TYPE OF PERMITS:

Applicant	Valuation	Type of Work	Permit Fee	Plan Review Fee
Buzdor, John & Debra	\$12,885.00	RES Alteration	\$248.25	
Botanical Rhapsody Palmer	\$0.00	Temporary Sign	\$0.00	
Botanical Rhapsody Palmer	\$1,500.00	Sign	\$68.00	
Mat Valley Federal Credit Union	\$16,517.00	COM Alteration	\$310.75	\$201.75

YEAR TO DATE COMPARISON:

Year	Building Permits	Sign Permits	Fence Permits	Year to Date Valuation	Year to Date Permit Fees	Year to Date Plan Review Fees
2010	112	44	15	\$22,726,781.00	\$126,286.73	
2011	119	27	24	\$7,990,488.00	\$69,745.75	
2012	99	34	12	\$21,458,419.00	\$138,597.50	
2013	98	26	19	\$12,745,023.00	\$95,729.75	
2014	107	35	12	\$16,451,333.00	\$122,226.25	
2015	101	29	13	\$11,523,123.00	\$100,696.75	
2016	92	38	19	\$38,605,202.00	\$206,020.00	\$39,019.00
2017	92	22	17	\$6,291,194.00	\$59,007.35	\$21,537.00
2018	107	33	13	\$17,506,252.00	\$133,263.87	\$51,499.00
2019	108	29	18	\$29,844,614.00	\$176,888.75	\$90,845.75

Radio Free Palmer Inside the City schedule: City Manager Feb 7, Chief of Police Feb 14, Library Director Feb 21

Mayor's Memo

**Council Meeting report for council Meeting
on January 28, 2020**

**MAYOR/MANAGER MEETING - FEBRUARY 13
AGENDA SETTING MEETING - JANUARY 29, FEB 12
PALMER KIAWANIS FEB 4
AML FEB 17 - 20
NO MORE MAT SU FEBRUARY 26**

GOLDEN HEART AWARD AT FEB 11 MEEETING

We want and value your input and participation.

Edna DeVries Mayor

907-355-9933 edevries@palmerak.org

**City of Palmer
Resolution No. 20-008**

Subject: Approving the Alternative Allocation Method for Distribution of the FY20 Shared Fisheries Business Tax Program in FMA 14: Cook Inlet Area

Agenda of: January 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ 780.16

This legislation (√):

- Creates revenue in the amount of: \$ 780.16
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted 01-00-00-3350 Municipal Aid

Director of Finance Signature: 

Attachment(s):

- Resolution No. 20-008
- FY 20 Shared Fisheries Business Tax Program Description
- FMA 14: Cook Inlet Area Alternative Method breakdown

Summary Statement/Background:

The City of Palmer is in the fisheries management area (FMA) 14: Cook Inlet Area. The Department of Commerce, Community, and Economic Development manages the Shared Fisheries Business Tax Program. The purpose of the program is to allocate a share of the state fish tax collected outside municipal boundaries with municipalities affected by the fishing industry activities.

The FMA 14 has chosen the alternative method application which requires the governing bodies to pass a resolution agreeing to the alternative method of distribution.

The city received \$1,807.37 in FY19 through this program.

Administration's Recommendation:

Approve Resolution No. 20-008 the Alternative Method Application for Distribution of the FY20 Shared Fisheries Business Tax Program in FMA 14: Cook Inlet.

LEGISLATIVE HISTORY

Introduced by: City Manager Wallace

Public Hearing: January 28, 2020

Action:

Vote:

Yes:

No:

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**CITY OF PALMER, ALASKA
Resolution No. 20-008**

A Resolution of the Palmer City Council Adopting an Alternative Allocation Method for the FY20 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 14: Cook Inlet Area

WHEREAS, A 29.60.450 requires that for a municipality to participate in the FY 20 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community and Economic Development that the municipality suffered significant effects during calendar year 2018 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Palmer City Council proposes to use an alternative allocation method for allocation of FY20 funding available within the FMA 14: Cook Inlet Area in agreement with all other municipalities in this area participating in the FY20 Shares Fisheries Business Tax Program.

NOW, THEREFORE, BE IT RESOLVED that the Palmer City Council by this resolution certifies that the following alternative allocation method fairly represents the distribution of the significant effects during 2018 of fisheries business activity in FMA 14: Cook Inlet Area:

All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.

Approved by the Palmer City Council this ____ day of _____, 2020.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

DCCED
Shared Fisheries Business Tax Program
FY 20 Short-Form Application For
«FMA»



APPLICATION MUST BE SUBMITTED TO DCCED
NO LATER THAN FEBRUARY 18, 2020

State of Alaska
Michael J. Dunleavy, Governor
Department of Commerce, Community, and
Economic Development
Julie Anderson, Commissioner
Division of Community and Regional Affairs
Sandra Moller, Director

FY 20 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

Program Eligibility

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

Program Funding

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2018.

Program funding is allocated in two stages:

1st Stage: Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2018 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2018, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2018.

2nd Stage: If the total funding available for a Fisheries Management Area (FMA) is less than the long-form threshold value (the value determined by multiplying the number of municipalities in an area by \$4,000), then one half of the allocation is divided equally among the eligible applicants in that area. The other half of the area allocation is distributed among the eligible applicants proportionate to the populations of all the eligible applicants in the area. This is known as the short-form method*.

** Because your municipality is located within a Fisheries Management Area with a total allocation less than the long-form threshold value, you have been provided a Short-Form Application.*

FY 20 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

Short-Form Application Method: In order to receive funding under the Short-Form Application Method, an applicant must have suffered significant effects during the program base year from fisheries business activities that occurred within its respective fisheries management area(s).

Some important definitions: The Shared Fisheries Business Tax Program provides for a sharing of State Fisheries Business Tax with municipalities that can demonstrate they suffered *significant effects* during the *program base year* from *fisheries business activity* in their respective fisheries management area.

For the purposes of this program, "fisheries business activity" means:

- activity related to fishing, including but not limited to the catching and sale of fisheries resources;
- activity related to commercial vessel, moorage, and gear maintenance;
- activity related to preparing fisheries resources for transportation; and,
- activity related to processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

And, "significant effects" means:

- municipal expenditures during the program base year demonstrated by the municipality to the department to be reasonable and necessary that are the result of fisheries business activities on the municipality's:
 - population;
 - employment;
 - finances;
 - air and water quality;
 - fish and wildlife habitats; and,
 - ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration.

And, "program base year" means:

- calendar year 2018.

FMA 14: Cook Inlet Area

FMA 14: Cook Inlet Area						FY 18 Landing Tax Allocation
	Total allocation:	50% Divided	50% per capita		LONG	\$4,993.79
	\$11,283.37	\$5,641.68	\$5,641.68			
Community	Population	50% divided share	50% per capita share	Calculated Allocation		Calculated Allocation
Municipality of Anchorage	295,365	\$470.14	\$3,354.27	\$3,824.41		\$1,692.61
City of Homer	5,443	\$470.14	\$61.81	\$531.95		\$235.43
City of Kachemak	511	\$470.14	\$5.80	\$475.94		\$210.64
City of Kenai	6,999	\$470.14	\$79.48	\$549.62		\$243.25
Kenai Peninsula Borough	58,471	\$470.14	\$664.02	\$1,134.16		\$501.96
City of Seldovia	220	\$470.14	\$2.50	\$472.64		\$209.18
City of Seward	2,584	\$470.14	\$29.34	\$499.49		\$221.06
City of Soldotna	4,327	\$470.14	\$49.14	\$519.28		\$229.82
Matanuska-Susitna Borough	105,743	\$470.14	\$1,200.85	\$1,670.99		\$739.55
City of Houston	2,100	\$470.14	\$23.85	\$493.99		\$218.63
City of Palmer	6,223	\$470.14	\$70.67	\$540.81		\$239.35
City of Wasilla	8,801	\$470.14	\$99.95	\$570.09		\$252.31
Totals	496,787	\$5,641.68	\$5,641.68	\$11,283.37		\$4,993.79
Community Count	12					

* All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.

**City of Palmer
Action Memorandum No. 20-006**

Subject: Selecting the Golden Heart Lifetime Achievement Award Recipient(s)

Agenda of: January 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated


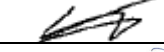
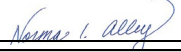
Originator Information:

Originator: Mayor DeVries

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____


Certification of Funds:

Total amount of funds listed in this legislation: \$ **0.00**

- This legislation (√):
- Creates revenue in the amount of: \$ _____
 - Creates expenditure in the amount of: \$ _____
 - Creates a saving in the amount of: \$ _____
 - Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted _____

Director of Finance Signature: 

Attachment(s):

- None

Summary Statement/Background:

Palmer Municipal Code 2.04.150 States:

The purpose of the Golden Heart Lifetime Achievement Award is to honor a member of the Palmer community that has exhibited kindness, passion, and the unwavering pioneering spirit of Palmer.

A. The council shall submit nominations on or before the second meeting of January and select a winner at the second meeting of January.

B. The mayor shall present the award to the selected award winner, the week of February 14th. (Ord. 13-013 § 3, 2013)

To date, the following persons have been nominated to receive the Golden Heart Lifetime Achievement Award (listed in alphabetical order):

- Betty Pierce
- Sabrena Combs
- Alex Hill

Previous Recipients have been:

- 2014
 - Leisa Carrick
 - Ruth Estelle
 - Pat Lawton
 - Denise Statz
- 2015
 - No award was given this year
- 2016
 - Wayne Bouwens
 - Janette Bower
 - Jo Ehmann
 - Ken Erbey
- 2017
 - Stan Guthrie
 - Eve Hermon
 - Gene Horner
- 2018
 - Linda Combs
- 2019
 - Howard Bess
 - Richard Best
 - Janet Kincaid
 - MariJo Parks

**City of Palmer
Action Memorandum No. 20-007**

Subject: Directing the City Manager to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License No. 1194 for Caboose Lounge, Located at 606 S. Alaska Street

Agenda of: January 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):

- Creates revenue in the amount of: \$ Unknown
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Notice for License No. 1194
- Administration Review Form

Summary Statement/Background:

Caboose Lounge has applied for renewal of their liquor license. State law requires local governing bodies (per AS 04.21.080, this is defined as the City Council) to review requests pertaining to liquor licenses within their municipalities. The City may voice a non-objection or may file a protest to a request.

As of the date of staffing, the Administration had not received any written comments or phone calls from the public expressing concern or support for this application.

Administration's Recommendation:

To approve Action Memorandum No. 20-007



January 3, 2020

City of Palmer

Matanuska- Susitna Borough

Via Email: cityclerk@palmerak.org ; adam.bradway@matsugov.us ; alex.strawn@matsugov.us
permitcenter@matsugov.us

Re: Notice of 2020/2021 Liquor License Renewal Application

License #	DBA	License Type
1194	Caboose Lounge	Beverage Dispensary
1195	Iron Horse Liquor	Package Store
3058	The Moosehead Saloon	Beverage Dispensary

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov

City of Palmer • Liquor License Review Form

BUSINESS NAME: Caboose Lounge
LICENSE TYPE: Beverage Dispensary
LOCATION: 606 S Alaska St

OWNER: Michelle Kincaid/ David Kloep

Route to: Department of Finance

Department of Finance

Business License/Sales Tax/Utilities/Assessments Current: Yes No

If no, explain:

Other Comments:



Finance Director

January 7, 2020

Date

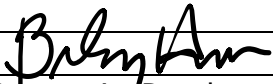
Route to: Department of Community Development

Department of Community Development

Code (PMC/Bldg/Fire) Compliant: Yes No

If no, explain:

Other Comments:



Community Development Director

January 14, 2020

Date

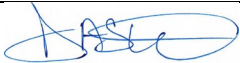
Route to: Police Department

Police Department

Excessive Calls: Yes No

If yes, explain:

Other Comments:



Chief of Police

January 14, 2020

Date

TO COUNCIL FOR AGENDA OF: January 28, 2020

**City of Palmer
Action Memorandum No. 20-008**

Subject: Directing the City Manager to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License No. 1195 for Iron Horse Liquor, Located at 606 S. Alaska Street

Agenda of: January 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):

- Creates revenue in the amount of: \$ Unknown
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Notice for License No. 1195
- Administration Review Form

Summary Statement/Background:

Iron Horse Liquor has applied for renewal of their liquor license. State law requires local governing bodies (per AS 04.21.080, this is defined as the City Council) to review requests pertaining to liquor licenses within their municipalities. The City may voice a non-objection or may file a protest to a request.

As of the date of staffing, the Administration had not received any written comments or phone calls from the public expressing concern or support for this application.

Administration's Recommendation:

To approve Action Memorandum No. 20-008



January 3, 2020

City of Palmer

Matanuska- Susitna Borough

Via Email: cityclerk@palmerak.org ; adam.bradway@matsugov.us ; alex.strawn@matsugov.us
permitcenter@matsugov.us

Re: Notice of 2020/2021 Liquor License Renewal Application

License #	DBA	License Type
1194	Caboose Lounge	Beverage Dispensary
1195	Iron Horse Liquor	Package Store
3058	The Moosehead Saloon	Beverage Dispensary

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov

City of Palmer • Liquor License Review Form

BUSINESS NAME: Iron Horse Liquor

OWNER: Michelle Kincaid/ David Kloep

LICENSE TYPE: Package Store

LOCATION: 606 S Alaska St

Route to: Department of Finance

Department of Finance

Business License/Sales
Tax/Utilities/Assessments
Current:

Yes

No

If no, explain:

Other Comments:



Finance Director

January 7, 2020

Date

Route to: Department of Community Development

Department of Community Development

Code (PMC/Bldg/Fire)
Compliant:

Yes

No

If no, explain:

Other Comments:



Community Development Director

January 14, 2020

Date

Route to: Police Department

Police Department

Excessive Calls:

Yes

No

If yes, explain:

Other Comments:



Chief of Police

January 14, 2020

Date

TO COUNCIL FOR AGENDA OF: January 28, 2020

**City of Palmer
Action Memorandum No. 20-009**

Subject: Directing the City Manager to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License No. 3058 for Moosehead Saloon, Located at 810 S Colony Way

Agenda of: January 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated



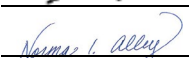
Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):

- Creates revenue in the amount of: \$ Unknown
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Notice for License No. 3058
- Administration Review Form

Summary Statement/Background:

Moosehead Saloon has applied for renewal of their liquor license. State law requires local governing bodies (per AS 04.21.080, this is defined as the City Council) to review requests pertaining to liquor licenses within their municipalities. The City may voice a non-objection or may file a protest to a request.

As of the date of staffing, the Administration had not received any written comments or phone calls from the public expressing concern or support for this application.

Administration's Recommendation:

To approve Action Memorandum No. 20-009



January 3, 2020

City of Palmer

Matanuska- Susitna Borough

Via Email: cityclerk@palmerak.org ; adam.bradway@matsugov.us ; alex.strawn@matsugov.us
permitcenter@matsugov.us

Re: Notice of 2020/2021 Liquor License Renewal Application

License #	DBA	License Type
1194	Caboose Lounge	Beverage Dispensary
1195	Iron Horse Liquor	Package Store
3058	The Moosehead Saloon	Beverage Dispensary

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov

City of Palmer • Liquor License Review Form

BUSINESS NAME: Moosehead Saloon
LICENSE TYPE: Beverage Dispensary
LOCATION: **810 S Colony Way**

OWNER: Daniel DeBoer/Kyna DeBoer

Route to: Department of Finance

Department of Finance

Business License/Sales Tax/Utilities/Assessments Current: Yes No

If no, explain:

Other Comments:



Finance Director

January 7, 2020

Date

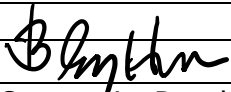
Route to: Department of Community Development

Department of Community Development

Code (PMC/Bldg/Fire) Compliant: Yes No

If no, explain:

Other Comments:



Community Development Director

January 14, 2020

Date

Route to: Police Department

Police Department

Excessive Calls: Yes No

If yes, explain:

Other Comments:



Chief of Police

January 14, 2020

Date

TO COUNCIL FOR AGENDA OF: January 28, 2020

City of Palmer
Information Memorandum No. 20-002

Subject: Committee of the Whole for Discussion on General Election Matters

Agenda of: January 28, 2020


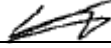
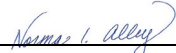
Originator Information:

Originator: City Council via City Clerk

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ Unknown
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted
 - Not budgeted
- Line item(s): 01-02-10-6099

Director of Finance Signature: 

Attachment(s):

- 2016-2019 Term Limit Legislation
 - Res. No. 16-020
 - Res. No. 19-014
 - Ord. No. 19-011
- 2014-2019 Council Designated Seats Legislation
 - Res. No. 19-015
 - Ord. No. 14-011
 - Ord. No. 16-009
 - Ord. No. 19-010
- Kenai Borough Vote By Mail Report (includes a letter of support from League of Woman Voters)
- Anchorage Vote By Mail Report

Summary Statement/Background:

By request of the City Council, a Committee of the Whole is called to have general discussion on matters of election. Topics identified, but not limited to, are:

1. Candidate's Residency (conflict between Charter and Code)
2. Term Limits
3. Council Seats
4. Election Date
5. Vote By Mail

**City of Palmer
Information Memorandum No. 16-033
Resolution No. 16-020**



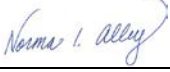
Subject: Submitting the Question of Amending Charter Section 3.2 Terms of Office to the City's Qualified Voters at the October 4, 2016 City of Palmer Elections.

Agenda of:

- July 26, 2016 – 1st Public Hearing
- August 9, 2016 – 2nd Public Hearing

Council Action: Failed for Lack of Majority

Approved for presentation by:

	Signature:	Remarks:
City Manager		
City Attorney		
City Clerk		

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):


- Has no fiscal impact Creates a positive impact in the amount of: \$ _____
- Creates a negative impact in the amount of: \$ _____

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted Affected line item(s): _____

General fund unassigned balance (after requested budget modification): \$ _____

Enterprise unrestricted net position (after requested budget modification): \$ _____

Director of Finance Signature: 

Attachment(s):

- Resolution No. 16-020

Summary Statement: Resolution No. 16-020 places a charter amendment on the October 4, 2016, regular city ballot limiting the terms of the mayor and city councilmembers to three three-year terms commencing in October, 2017.

Introduced by: City Manager Wallace
 1st Public Hearing: July 26, 2016
 2nd Public Hearing: August 9, 2016
 Action: Failed
 Vote: 3 Yes/3 No/1 Absent

Yes:	No:
Carrington	Best
Johnson	Combs
LaFrance	DeVries
	Absent:
	Hanson

CITY OF PALMER, ALASKA

RESOLUTION NO. 16-020

A Resolution of Palmer City Council Submitting the Question of Amending Charter Section 3.2, Terms of Office to Limit Mayor and Councilmember Terms to Three Three Year Terms, to the City’s Qualified Voters at the October 4, 2016, City of Palmer Election

WHEREAS, Section 14.2 of the Charter of the City of Palmer provides that the Charter may be amended by proceedings commenced by the vote of four members of the Council, and

WHEREAS, Section 14.3 of the Charter of the City of Palmer provides that when an amendment to the Charter is proposed by the Council, it shall be submitted to the qualified voters of the City at any election to be held in the City not less than 60 days after its proposal by the Council; and

WHEREAS, the language of Charter Section 3.2, if approved by the city’s qualified voters will limit the terms of Mayor and Councilmembers to three three year terms applicable to the Mayor and Council members first elected in 2017 and elected thereafter; and

WHEREAS, at least four members of the Council for the City of Palmer have determined that it is in the best interests of the City and its residents that the Charter of the City of Palmer amendment should go before the qualified voters as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALMER, ALASKA, that:

Section 1. At the City of Palmer election to be held on October 4, 2016, the following proposition shall be submitted to the qualified City of Palmer voters in substantially the following form:

**City of Palmer
Resolution No. 19-014**

Subject: Submitting a Non-Binding Advisory Question to the City's Qualified Voters at the October 1, 2019, City of Palmer Regular Election to Determine Whether the Public Supports Enacting Council Member and Mayor Term Limits

Agenda of: July 9, 2019 – Public Hearing

Council Action: **Approved** **Amended:** _____
 Defeated



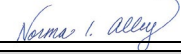
Originator Information:

Originator: Council Members Julie Berberich and Pete LaFrance

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-02-10-6099
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Resolution No. 19-014

Summary Statement/Background:

To discuss taking a code amendment as a non-binding advisory question to the electorate at the October 1, 2019, election regarding the possibility of limiting the council members to two consecutive three-year terms and the Mayor to two additional consecutive three-year terms. The non-binding advisory question would not address lifetime term limits.

Palmer Charter 3.2. **Terms of Office** states the terms of two councilmen shall expire each year, except that in each third year, counting from 1963, the terms of the Mayor and of two Councilmen shall expire. When appointments are made to fill vacancies in the manner provided by Section 2.13(a) of this Charter, appointees shall qualify for and assume the duties of office within ten days after appointment, unless such time be extended for not more than sixty days by the Council.

Palmer Municipal Code Section 2.04.041. **Term of office** states the term of office of each council member shall be for three years and shall commence on the Monday following his or her election.

Palmer Municipal Code Section 2.05.030. **Term of office** states the term of office of the mayor shall be for three years and shall commence on the Monday next following his or her election.

LEGISLATIVE HISTORY

Introduced by: Council Members Berberich and LaFrance
Public Hearing Date: July 9, 2019
Action: Approved
Vote: 6 Yes/1 Vacant

Yes:	No:
Berberich	
Carrington	
L. Combs	
S. Combs	
DeVries	
Fuller	

**CITY OF PALMER, ALASKA
Resolution No. 19-014**

A Resolution of the Palmer City Council Submitting a Non-Binding Advisory Question to the City’s Qualified Voters at the October 1, 2019, City of Palmer Regular Election to Determine Whether the Public Supports Enacting Council Member and Mayor Term Limits

WHEREAS, city of Palmer Charter Section 3.2 establishes terms of offices for all members of the council as three years; and

WHEREAS, city of Palmer Municipal Code Section 2.04.041 provides additional clarity to the term of office for council members; and

WHEREAS, city of Palmer Municipal Code Section 2.05.030 provides additional clarity to the term of office for the mayor; and

WHEREAS, it is the wish of the City Council to send an advisory question to the electorate to get community input on further clarifying terms of office for the mayor and council members on establishing term limits to each of the terms of office; and

WHEREAS, the proposed question below is designed to allow the electorate to advise the Council as to whether they support the idea of establishing term limits; and

WHEREAS, the proposed question does not place any requirements on the Council, but rather an advisory from the electorate.

NOW, THEREFORE, BE IT RESOLVED by the Palmer City Council that:

Section 1. At the city of Palmer regular election to be held on October 1, 2019, the following non-binding advisory question shall be submitted to the qualified city of Palmer voters in substantially the following form:

ADVISORY QUESTION NO. ____

Vote Advising the City Council on Term Limits

Should the Palmer City Council consider enacting term limits for the mayor and council members?

ADVISORY QUESTION NO. __: Yes ()
No ()

Section 2. This Resolution shall take effect immediately upon its adoption.

Approved by the Palmer City Council this 9th day of July, 2019.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

**City of Palmer
Ordinance No. 19-011**

Subject: Amending Palmer Municipal Code Sections 2.04.041 and 2.05.030 Establishing Council Member and Mayor Term Limits

Agenda of: June 11, 2019 – Introduction
June 25, 2019 – Public Hearing
October 8, 2019

Council Action: **Adopted** **Amended:** _____
 Tabled Indefinitely


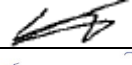

Originator Information:

Originator: Council Members Steve Carrington and David K. Fuller

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ **0.00**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Ordinance No. 19-011

Summary Statement/Background:

To discuss the possibility of limiting the council members to two consecutive three-year terms and the mayor to two additional consecutive three-year terms. The ordinance does not address lifetime term limits.

Matters of consideration could be:

- How Many Consecutive Years to Serve
- How Many Consecutive Years to Wait Before Serving Again
- Date Term Limits Become Effective

Palmer Charter 3.2. **Terms of Office** states the terms of two councilmen shall expire each year, except that in each third year, counting from 1963, the terms of the Mayor and of two Councilmen shall expire. When appointments are made to fill vacancies in the manner provided by Section 2.13(a) of this Charter, appointees shall qualify for and assume the duties of office within ten days after appointment, unless such time be extended for not more than sixty days by the Council.

Palmer Municipal Code Section 2.04.041. **Term of office** states the term of office of each council member shall be for three years and shall commence on the Monday following his or her election.

Palmer Municipal Code Section 2.05.030. **Term of office** states the term of office of the mayor shall be for three years and shall commence on the Monday next following his or her election.

The intent of term limits is for council members to serve no more than two consecutive terms without taking a one-year break. It is not the intent for a council member to have a break in service between serving as a council member and mayor. A member of the council whom is elected to serve as the mayor, may serve two additional terms, for a total of four, at which time a break in service is required.

LEGISLATIVE HISTORY

Introduced by: Council Members
Carrington and Fuller
Date: June 11, 2019
Public Hearing: June 25, 2019
Action: Tabled Indefinitely
Vote: Unanimous

Yes:	No:
Berberich	
Best	
Carrington	
L. Combs	
S. Combs	
DeVries	
Valerius	

CITY OF PALMER, ALASKA

Ordinance No. 19-011

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Sections 2.04.041 and 2.05.030 Establishing Council Member and Mayor Term Limits

WHEREAS, the city council wished to explore the adoption of term limits for the council and mayor; and

WHEREAS, if adopted, the new language will become effective to terms of members of the council elected in the 2019 Regular Election and elected thereafter, so that no terms served prior to the 2019 Regular Election would count toward the term limits of terms served.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code Section 2.04.041 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.04.041. Term of office

The term of office of each council member shall be for three years and shall commence on the Monday following ~~his or her~~ the election. A person serving as a council member may not serve for more than two consecutive, full terms without a break in service for at least one full year. No member of the council shall serve more than four consecutive terms, as the mayor and a council member, without a break in service for at least one full year. Years of service of an appointee filling a vacated seat does not count toward the total term limit.

Section 4. Palmer Municipal Code Section 2.05.030 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.05.030. Term of office

The term of office of the mayor shall be for three years and shall commence on the Monday ~~next~~ following ~~his or her~~ the election. A person serving as the mayor may not serve for more than two

consecutive, full terms without a break in service for at least one full year. No member of the council shall serve more than four consecutive terms, as the mayor and a council member, without a break in service for at least one full year. Years of service of an appointee filling a vacated seat does not count toward the total term limit.

Section 5. Effective Date. Ordinance No. 19-011 shall take effect upon adoption by the city of Palmer City Council.

Tabled Indefinitely this 8th day of October, 2019.

**City of Palmer
Resolution No. 19-015**

Subject: Submitting a Non-Binding Advisory Question to the City's Qualified Voters at the October 1, 2019, City of Palmer Regular Election to Determine Whether the Public Supports Enacting Designated Council Seats

Agenda of: July 9, 2019 – Public Hearing

Council Action: **Approved** **Amended:** _____
 Defeated




Originator Information:

Originator: Deputy Mayor Steve Carrington and Council Member Linda Combs

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-02-10-6099
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Resolution No. 19-015

Summary Statement/Background:

Description and Justification by Council Member Steve Carrington.

Traditionally, Palmer city council members have been grouped together where the ballots specifies "Three-year term" and "Vote for not more than two." All the candidates are listed in one group and the first and second place candidates are elected from that common group.

This ordinance would create designated seats where each council seat will be voted on separately from each other. All council seats would remain at-large. This would NOT create districts.

Each potential candidate would have to decide which one seat they will run for. If voters are unsatisfied with a specific council person, this will increase transparency for voters to clearly indicate which candidate they are voting for on the ballot.

This is the same procedure that is used to elect council members in Wasilla, City of Fairbanks, Soldotna and Kotzebue and Nome.

LEGISLATIVE HISTORY

Introduced by: Council Members
Carrington and L. Combs
Public Hearing Date: July 9, 2019
Action: Defeated/Failed
Vote: 4 No/2 Yes/1 Vacant

Yes:	No:
Carrington	Berberich
DeVries	L. Combs
	S. Combs
	Fuller

**CITY OF PALMER, ALASKA
Resolution No. 19-015**

A Resolution of the Palmer City Council Submitting a Non-Binding Advisory Question to the City’s Qualified Voters at the October 1, 2019, City of Palmer Regular Election to Determine Whether the Public Supports Enacting Designated Council Seats

WHEREAS, city of Palmer Municipal Code Section 2.04.021 provides definition to the composition of the City Council; and

WHEREAS, it is the wish of the City Council to send an advisory question to the electorate to get community input on the designation of council seats for council members; and

WHEREAS, the proposed question below is designed to allow the electorate to advise the Council as to whether they support the idea of establishing council seats; and

WHEREAS, the proposed question does not place any requirements on the Council, but rather an advisory from the electorate.

NOW, THEREFORE, BE IT RESOLVED by the Palmer City Council that:

Section 1. At the city of Palmer regular election to be held on October 1, 2019, the following non-binding advisory question shall be submitted to the qualified city of Palmer voters in substantially the following form:

ADVISORY QUESTION NO. ____

Vote Advising the City Council on Designated Council Seats

Should the Palmer City Council consider enacting designated council seats A, B, C, D, E, and F for council members?

ADVISORY QUESTION NO. __: Yes ()
No ()

Section 2. This Resolution shall take effect immediately upon its adoption.

Defeated by the Palmer City Council this 9th day of July, 2019.

Attachment(s):

- Ordinance No. 14-011

Summary statement: Ordinance no. 14-011 is requested by Council Members Hanson and DeVries and is moved forward to the council for council consideration.

Clerk's note: ordinance no. 14-011 assigns council seats and continues the practice of at-large election by the voters. Once ordinance no. 14-011 is adopted, a resolution designating existing council members to assigned seats will be forwarded to the council for consideration.

Administration recommendation: Adopt ordinance no. 14-011.

Introduced by: Council Members Hanson and DeVries
 Introduced: April 22, 2014
 Public Hearing: May 13, 2014
 Action: Failed
 Vote: 3-4

Yes:	No:
Hanson	Best
Carrington	Combs
Johnson	DeVries
	Erbey

CITY OF PALMER, ALASKA

Ordinance No. 14-011

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Section 2.04.021 Composition to Designate City Council Member Seats

THE CITY OF PALMER, ALASKA ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Section 2.04.021 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.04.021 Composition.

The city council is composed of one mayor and six council members. Council members shall file for ~~who are~~ and be elected at large to seats designated as A, B, C, D, E, and F.

Section 4. Effective Date. Ordinance 14-011 shall take effect upon adoption by the Palmer City Council.

ORDINANCE FAILED

Introduced by: Council Members
Carrington and Hanson
Introduced: March 8, 2016
First Public Hearing: March 22, 2016
Second Public Hearing: April 12, 2016
Action: Failed
Vote: 3-4

Yes:	No:
Carrington	Best
Hanson	Combs
Johnson	DeVries
	LaFrance

CITY OF PALMER, ALASKA

Ordinance No. 16-009

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Section 2.04.021 Composition

THE CITY OF PALMER, ALASKA ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Section 2.04.021 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.04.021 Composition.

The city council is composed of one mayor and six council members. Council members shall file for who are and be elected at large to seats designated as A, B, C, D, E, and F.

Section 4. Effective Date. Ordinance 16-009 shall take effect upon adoption by the Palmer City Council.

ORDINANCE FAILED BY A 3-4 VOTE

**City of Palmer
Ordinance No. 19-010**

Subject: Amending Palmer Municipal Code Section 2.04.021 Creating Designated Council Seats

Agenda of: May 28, 2019 – Introduction
June 11, 2019 – Public Hearing

Council Action: **Adopted** **Amended:** _____
 Defeated




Originator Information:

Originator: Council Members Carrington and Fuller

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		Signing for Nathan Wallace as Acting City Mgr.
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ **0.00**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Ordinance No. 19-010

Summary Statement/Background:

Description and Justification by Council Member Steve Carrington.

The basic change to the election code is adding designated seats. The code phrase will read "Council members will be elected at large to designated seats." This will use seat's A through F to designate individual seats that are at large. This means that all city voters will still vote for all city council seats as specified in Palmer Municipal Code Section 2.04.021. This is the same procedure that is used to elect council members in Wasilla. It does NOT create districts for district voting.

The last 12 years of election shows a higher voter participation when there are clearly defined choices.

For instance, there were five mayoral elections since 2014. The three with only one candidate on the ballot had 80%, 86% and 73% votes of the total counted ballots. In the two elections that had more than one candidate on the ballot, participation for the mayoral votes was 96% and 97%.

For Council Member, the participation averages 65% with a range from 70% down to 53% of the total counted votes.

Whether voters are choosing to only cast one vote or are missing the part of voting for two candidates, we won't really know unless we try another system. Therefore, I am proposing we have at-large designated seats for council voting.

If this ordinance is adopted, the designated seats will be assigned as follows:

- Seat A: Council Member Term Ending 2019 (Carrington)
- Seat B: Council Member Term Ending 2019 (Fuller)
- Seat C: Council Member Term Ending 2020 (L. Combs)
- Seat D: Council Member Term Ending 2020 (S. Combs)
- Seat E: Council Member Term Ending 2021 (Berberich)
- Seat F: Council Member Term Ending 2021 (LaFrance)

LEGISLATIVE HISTORY

Introduced by: Council Members
Carrington and Fuller
Date: May 28, 2019
Public Hearing: June 11, 2019
Action: Failed for Lack of Majority
Vote: 3 Yes/4 No

Yes:	No:
Carrington	Berberich
DeVries	L. Combs
Fuller	S. Combs
	LaFrance

CITY OF PALMER, ALASKA

Ordinance No. 19-010

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Section 2.04.021 Creating Designated Seats

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.04.021 Composition.

The city council is composed of one mayor and six council members. Council members shall file for who are and be elected at large to seats designated as A, B, C, D, E and F.

Section 4. Effective Date. Ordinance No. 19-010 shall take effect upon adoption by the city of Palmer City Council.

Failed for Lack of Majority Vote by the City Council of the City of Palmer, Alaska this 11th day of June, 2019.

Kenai Peninsula Borough
Election Stakeholders Group
Final Report and Recommendations

(unanimously approved July 26, 2019)



Committee Members: Donna Aderhold, Brenda Ahlberg, Teri Birchfield, Cassidi Cameron, John Coleberg, Tyson Cox, Sammy Crawford, Linda Cusack, Willy Dunne, Joyanna Geisler, Brent Hibbert, Sue McClure, Scott Meszaros, Paul Ostrander, Robert Peterkin, and Stephanie Queen

Alternate Members: Brian Gabriel, Vivian Rojas, and Kaitlin Vadla

Subject Matter Experts: Brenda Ballou, Johni Blankenship, Heidi Geagel, Erica Fitzpatrick, Ben Hanson, Jamie Heinz, Melissa Jacobsen, Sean Kelley, Bobbi Lay, Holly Montague, and Shellie Saner

Support Staff: Michele Turner

Kenai Peninsula Borough
Election Stakeholders Group
Final Report and Recommendations

(unanimously approved July 26, 2019)

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PURPOSE

The Election Stakeholders Group was established to research ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity while conserving public resources.

Voting is the foundation of our democracy. Active participation in the electoral process is necessary for high functioning governance.

The Election Stakeholders Group (ESG) was established on January 8, 2019 by KPB Resolution 2019-006 and tasked with researching ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity while conserving public resources. In addition, the ESG was directed to explore all aspects of administering borough and city elections including the traditional polling site model and the vote by mail hybrid model.

The ESG was encouraged to keep in mind the directives of the conciliation agreement between the borough and the Human Rights Commission. Specifically, Section C which states, "Respondent Kenai Peninsula Borough (KPB) will establish and direct the stakeholder group to explore options for providing assistive technology to visually impaired voters, including the option of distributing ballots to all voters by mail and establishing voting centers with accessible voting equipment open two weeks prior to each election. Respondent will direct the stakeholder group to advance options for its consideration that will allow visually impaired voters to vote privately and independently."

The KPB is at a critical impasse regarding the administration of elections for two reasons:

1. The Human Rights Commission has declared our current accommodations and equipment for voters with disabilities, specifically those that may be visually impaired, as significantly discriminatory;
2. The hardware that is currently being used by the KPB is owned by the State of Alaska and is at its end of life. Further, that equipment does not comply with Americans with Disabilities Act (ADA) requirements and therefore is not an option for the KPB moving forward.

The ESG was comprised of assembly members, city council members, city managers, borough mayor's office and community members interested in the electoral process. The group was staffed by the Borough Clerk's Office and assisted by subject matter experts from within the borough and cities within the borough.

The first ESG meeting was held on February 15, 2019 and subsequent meetings were held every two weeks after that for a total of 12 meetings. The meetings were advertised in accordance with the Open Meetings Act and the public was encouraged to attend; however, there was no public participation aside from 2 emails. A small subcommittee of the group did participate in a local radio show and had an opportunity to respond to questions for the listening audience.

In conducting its work and arriving at recommendations, the ESG adopted the following guiding principles:

GUIDING PRINCIPLES

1.) Maximize Accessibility and Inclusivity

Provide disability-related accommodations and other facilitative measures to enable residents experiencing a disability their equal right to vote privately and independently.

Promote participation in the electoral process for all borough voters.

2.) Efficiency and Conservation of Public Resources

Use public resources efficiently and conservatively by evaluating election-related factors such as cost per vote cast, cost per election, cost sharing with cities within the borough, appointed vs. elected advisory boards, and indirect costs.

3.) Voter Satisfaction and Confidence

Increase voter satisfaction and confidence in borough elections by maintaining voter privacy, providing options for ballot tracking and voter flexibility, and collaborating with the Alaska Division of Elections to maintain accurate voter rolls.

4.) Longevity in the Solution

Maximize the longevity of the election solution and the borough's ability to adapt to advances in technology, changes in the election workforce, engaging new voters, voter preferences, and conditions in regulatory frameworks.

5.) Coordination and Collaboration

Promote collaboration with all election stakeholders, including the public, Alaska Division of Elections, cities within the borough, candidates, media, local community groups, and voting organizations.

6.) Security and Integrity

Ensure security of the voting system, including hardware, software, accountability procedures, and the voter registration database.

Maintain integrity in the system by adopting internal controls such as signature verification, requiring acceptable identifiers, providing extensive election worker training, and giving voters the ability to cure errors to ensure all valid votes are counted.

7.) Voter Outreach

Encourage higher voter turnout by implementing a voter communication and education campaign that promotes the value of civic engagement.

Develop educational materials which explain the new processes to the public, utilizing multiple resources and methods of outreach and communication, to ensure there is a clear public understanding of and support for the new solution.

8.) Continuity of Operations / Contingency Disaster Plan

Adopt a contingency and communication disaster plan to ensure a coordinated and strategic response to any disruptive event and provide for continuity of election operations.

The ESG received presentations from the Borough and City Clerks, representatives from the State of Alaska Division of Elections, the Municipality of Anchorage, the United States Post Office (USPS), and the KPB's current ballot printer and by mail service provider. The ESG received demonstrations from two software/hardware providers. Their presentations were for both polling place and vote by mail structures. Both vendors had ADA compliant equipment for both scenarios. Finally, a subcommittee of the group participated in a field trip to Anchorage to see its "Vote by Mail Election Central" in action.

The ESG spent many hours discussing voter engagement, cost, collaboration and efficiencies. Based on the knowledge gained and through presentations and questions the ESG makes the following recommendations:

RECOMMENDATIONS

Recommendation #1 – Vote by Mail Hybrid:

Recommendation #1 is consistent with and reinforced by all of the guiding principles adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly transition the election process from the current polling site structure to a vote by mail hybrid structure (VBMS). The VBMS is a proven methodology that the KPB has been using for over 20 years in six (Cooper Landing, Hope, Fox River, Moose Pass, Seldovia/Kachemak Bay and Tyonek) of its 28 precincts. The group reviewed the current and VBMS structures and ranked the pros and cons. The pros of the VBMS far outweighed the pros of the existing structure and aligned with the group's adopted guiding principles.

The VBMS has proven to be a more efficient and effective process for the administration of elections. In this process every registered voter will be mailed a ballot package 2-3 weeks prior to election day, giving more voters an opportunity to exercise their right to vote at a time and place that meets their schedule and convenience.

Accessible Vote Centers (AVC) will be established 2 weeks prior to election day in at least 5 locations throughout the borough. AVCs can be utilized to drop off voted ballots or to satisfy the desire to vote in person. The vote centers will be equipped with ADA compliant hardware, allowing all voters to vote privately and independently. The VBMS allows for all voters to vote in the way that suits them best.

Ballot drop boxes will need to be purchased as part of the structure and distributed throughout the borough. Voters can choose to drop their voted ballots in a drop box, at an AVC or in the mail by using the prepaid postage.

The VBMS is a long term solution for the borough and the cities within the borough as it is not subject to the changing technology of the current structure. It uses off-the-shelf scanners to count the ballots and printers for on-demand ballot printing which allows for greater accessibility, upgrades and cost effective repairs.

The VBMS has been demonstrated by the Municipality of Anchorage to engage all voter demographics and therefore translates into higher voter participation and higher voter satisfaction.

The initial capital cost of the VBMS hardware and software is less than that of the traditional structure. There will be other costs to consider; for example, ballot drop

boxes and an initial voter outreach and education campaign. The costs could be shared by the cities within the borough.

The VBMS will add to voter security and confidentiality as well as offer voters an opportunity to cure any issues that may occur with their voted ballots (e.g. no signature provided, no identifier provided, other). The group recommends the implementation of signature verification software and a signature review board. It further recommends to require at least one identifier be provided by the voter (an identifier would include voter registration number, driver's license number, or social security number). The borough should work toward a technical solution which will allow voters to track their voted ballot ensuring its receipt and review.

The VBMS further allows for the review board to adjudicate each ballot to ensure voter intent is correctly determined based on standardized methods and training.

In summary, the ESG supports and recommends the VBM structure for the administration of elections in the KPB.

The ESG received proposals from Dominion Voting software and ADA compatible hardware for both the traditional polling site structure and the vote by mail structure. The vote by mail proposal was \$213,106.60 less than the traditional polling site proposal. The vote by mail structure would require the purchase of ballot drop boxes which, according to the Municipality of Anchorage, cost around \$3,300 apiece to fabricate. The Municipality of Anchorage has 16 drop boxes distributed throughout its jurisdiction. The Municipality of Anchorage also does not prepay the postage for the return of voted ballots. The ESG recommends that the KPB deploy drop boxes as needed on the road system and encourages voters in more remote areas to use USPS. Based on information provided by the Municipality of Anchorage, the ESG is encouraged that the VBMS will increase voter turnout and that the administrative costs will decrease over time.

Recommendation #2 – Education and Outreach Campaign

Recommendation #2 is consistent with and reinforced by guiding principles, 1.) Maximize Accessibility and Inclusivity; 3.) Voter Satisfaction and Confidence; 4.) Longevity in the Solution; 5.) Coordination and Collaboration and 7.) Voter Outreach, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly appropriate funds for an extensive education and outreach campaign. The voter turnout in the KPB and the cities within it has been historically low. The turnout tends to trend higher or lower depending on what is on the ballot.

One of the focuses of the outreach campaign would be specifically to encourage voter participation no matter what is on the ballot through a

communication plan which promotes civic engagement and targeted marketing regarding the importance of the election process.

Another primary focus would be to educate the voters on the new VBMS.

The group recommends the use of social media, print media, and broadcast media, as well as outreach through the participation of existing community groups (chambers of commerce, rotary, etc.).

The group further recommends the KPB consider contracting with an outside resource to develop and implement a plan specifically regarding the education and notification of the voters of the new vote by mail hybrid structure.

Recommendation #3 – Alaska State Statute Title 29 Amendment

Recommendation #3 is consistent with and reinforced by guiding principles, 1.) Maximize Accessibility and Inclusivity; 2.) Efficiency and Conservation of Public Resources and 3.) Voter Satisfaction and Confidence, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly adopt a resolution requesting the Alaska State Legislature introduce and support a bill allowing for ranked choice voting. The bill would amend AS 29.26.060(c) to read as follows:

Sec. 29.26.060. Runoff elections.

(a) Unless otherwise provided by ordinance, a runoff election shall be held if no candidate receives over 40 percent of the votes cast for the office of

(1) mayor; or

(2) member of the governing body or school board if candidates run for a designated seat.

(b) Unless otherwise provided by ordinance, if candidates for the governing body or school board run at large, a runoff election for a seat shall be held if no candidate receives a number of votes greater than 40 percent of the total votes cast for all candidates divided by the number of seats to be filled.

(c) Unless otherwise provided by ordinance, a runoff election shall be held within three weeks after the date of certification of the election for which a runoff is required, and notice of the runoff election shall be published at least five days before the election date. Unless otherwise provided by ordinance t[T]he runoff election shall be

between the two candidates receiving the greatest number of votes for the seat.

This amendment would allow municipalities the flexibility to conduct runoff elections according to local preference.

The ESG recommends the KPB Assembly further research and explore the solution of Ranked Choice Voting for the election of the Borough Mayor rather than continuing to conduct separate runoff elections which are costly and typically receive lower voter turnout than the regular election. Ranked Choice Voting would allow for an immediate runoff to select the prevailing candidate.

Recommendation #4 – Voter Pamphlet

Recommendation #4 is consistent with and reinforced by guiding principles, 2.) Efficiency and Conservation of Public Resources and 3.) Voter Satisfaction and Confidence, adopted by the Election Stakeholders Group.

The Election Stakeholder Group recommends including information in each ballot package which directs the voter to a website with voter information, candidate profiles and proposition summaries. The information provided would also specify locations at which hard copies of the voter pamphlet could be obtained. In addition, hard copies of the voter pamphlet could be mailed directly to a voter upon request.

Paper copies of the voter pamphlet should include candidate profiles, proposition summaries and additional voter information and be made available at each of the AVCs. AVC employees would be educated and prepared to assist voters in the navigation of the election website.

Recommendation #5 – Appointed Service Area Boards

Recommendation #5 is consistent with and reinforced by guiding principle, 2.) Efficiency and Conservation of Public Resources, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends amending KPB Titles 2, 4 and 16 – Service Areas to provide that all KPB service area boards are appointed instead of elected (draft ordinance attached for consideration).

It is rare for a service area board race to be contested at an election. In addition, there have been many years when no candidate files for the seat at all and ultimately the seat is filled by appointment after the election is certified.

Recommendation #6 – Statements Advocating for Approval or Rejection of Propositions

Recommendation #6 is consistent with and reinforced by guiding principles, 2.) Efficiency and Conservation of Public Resources and 3.) Voter Satisfaction and Confidence, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly amend KPB 4.10.110 by deleting Section B which provides for the inclusion of statements advocating voter approval or rejection of propositions in the voter pamphlet. Recommendation #4 suggests streamlining the voter pamphlet to reduce waste and cost. Amending this section of code would further support that reduction. Additionally, the current inclusion of the statements may be contributing to voter confusion.

The information provided and disseminated by the borough should be that of a factual nature. Public funds should not be used to further the message of an outside group, and the official voter information pamphlet is an inappropriate place to allow members of the public to advocate for or against a proposition. In today's technical environment there are multiple ways to effectively and efficiently spread a message without cost to the tax payers of the borough.

Additionally, the administration of this code provision has proven to be difficult and identifying possible authors of statements has proven to be problematic. Historically, statements have been submitted for inclusion in the voter pamphlet and those statements are not vetted or verified by the borough and therefore may include misleading information.

This provision of code was enacted in 2007 and has only been utilized a handful of times and typically only when there is a voter initiative or referendum proposition on the ballot.

Additional Recommendations

The ESG recommends the KPB seek support from and partners with the cities within the borough to conduct all local elections by mail. Further, we recommend cost sharing with the cities within the borough for election equipment, an extensive and comprehensive communication/education plan and administration of all future elections. The ESG promotes the collaboration between the KPB and the cities within the KPB to develop legislation and administrative practices for the administration of local elections.

From: Sammy Crawford [<mailto:scrawfordak68@gmail.com>]
Sent: Wednesday, July 31, 2019 7:35 AM
To: Blankenship, Johni <JBlankenship@kpb.us>
Subject: <EXTERNAL-SENDER>Support for recommendations

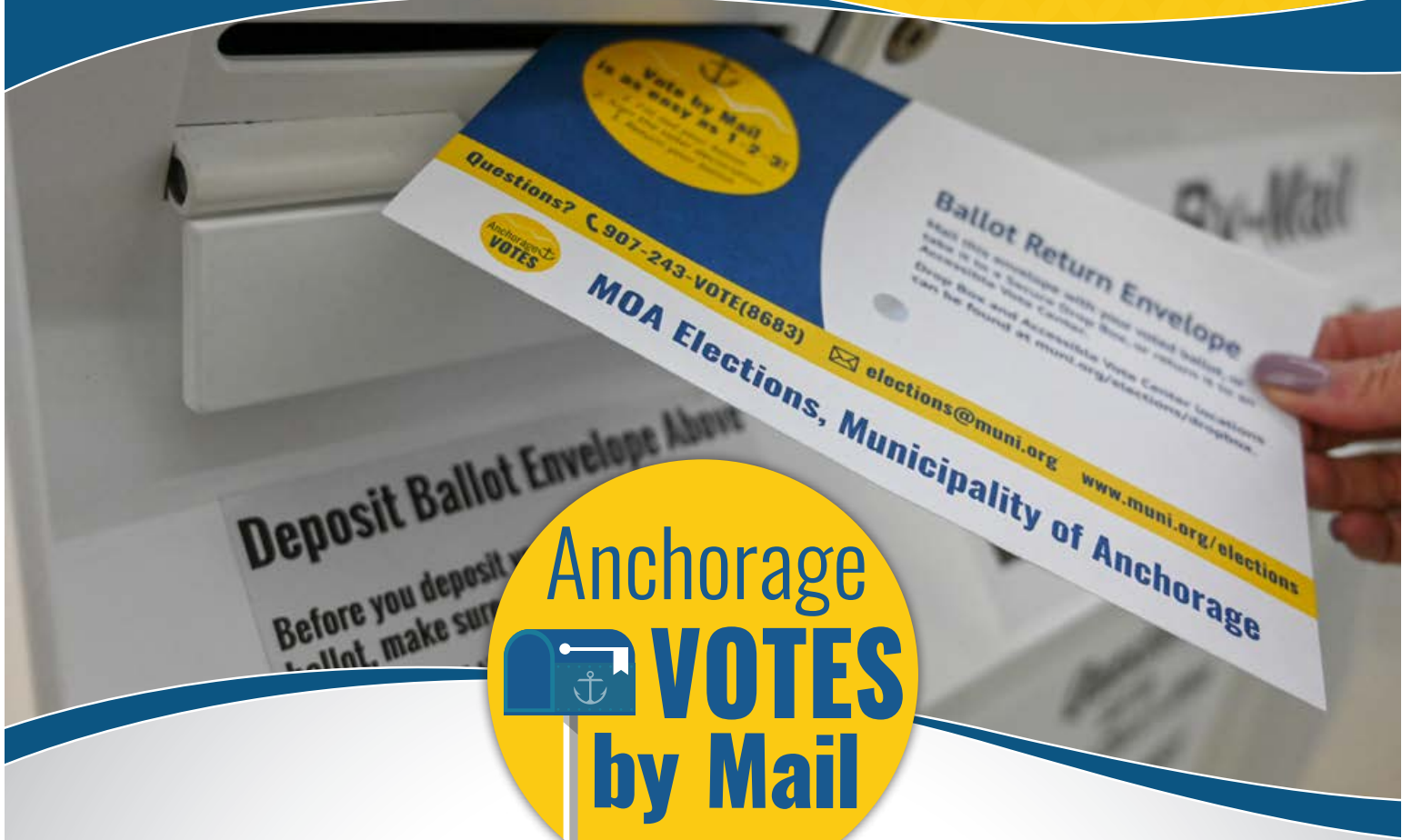
CAUTION:This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

The League of Women Voters strongly supports the recommendations from the Election Stakeholders Group. The LWV is a nonpartisan group dedicated to improving voter access, voter education and voter turnout. The ESG recommendations satisfy the fiscal responsibility for borough elections and meet the critical concerns from the Human Rights Commission as well as the hardware needs for open and fair elections.

The process for reaching consensus for the recommendations was public, comprehensive, and well-researched. The ESG met 12 times from February 15 to July 26. Presentations and discussions were held with experts in election hardware as well as city clerks, city managers, elected members of city councils, members of the borough assembly and members from the public with interest and expertise in the election process.

The LWV strongly urges the Borough Assembly to consider and adopt these recommendations to update and improve the public participation in the election process.

Sammy Crawford
Representing the League of Women Voters
July 31, 2019



VOTE BY MAIL PROJECT



www.muni.org/elections

CONTACT INFORMATION

For more information about Municipality of Anchorage elections, please visit the MOA Elections website at muni.org/elections.

You may also email elections@muni.org, call 907-243-VOTE (8683), or visit City Hall: 632 West 6th Avenue, Suite 250 • Anchorage, Alaska 99501

or visit MOA Election Center (January- April):
619 East Ship Creek Avenue, Door D • Anchorage, Alaska 99501

State of Alaska Voter Registration

Register to Vote:

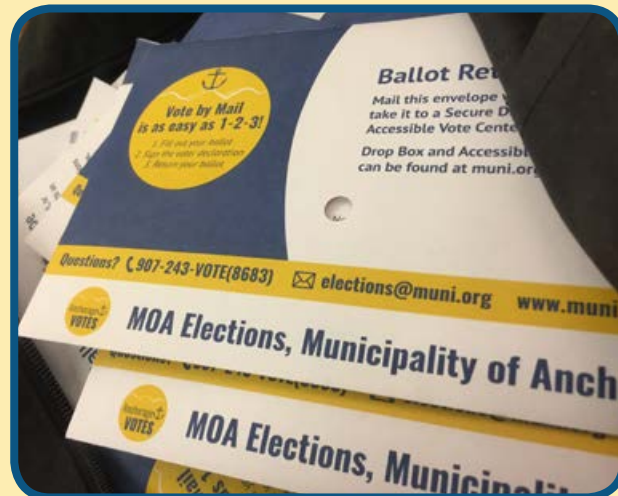
<https://voterregistration.alaska.gov/>

Review your Voter Registration:

<https://myvoterinformation.alaska.gov/>

Update your Voter Registration:

<https://voterregistration.alaska.gov/>



Municipal Clerk's Office Social Media

 [@MunicipalClerksOffice](https://www.facebook.com/MunicipalClerksOffice)

 [@AncMuniClerk](https://twitter.com/AncMuniClerk)

 [@anc_muni_clerk](https://www.instagram.com/anc_muni_clerk)

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ASSEMBLY MEMBERS AND STAFF

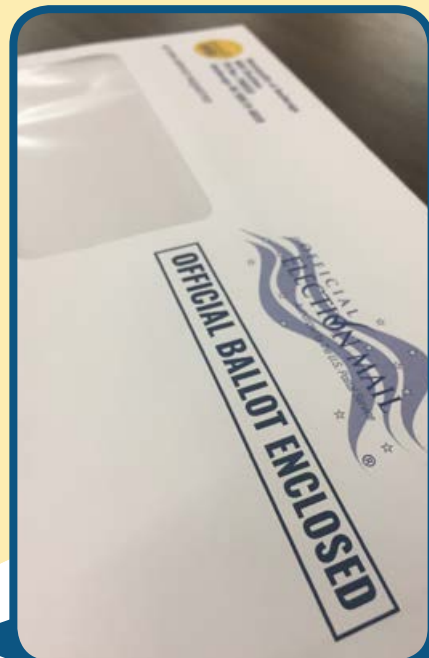
2018 Anchorage Assembly	2019 Anchorage Assembly
Forrest Dunbar, Chair	Eric Croft, Chair
Eric Croft, Vice Chair	Felix Rivera, Vice Chair
Dick Traini, Vice Chair	Christopher Constant
Christopher Constant	Fred Dyson
Fred Dyson	Gretchen Wehmhoff
Amy Demboski	Austin Quinn-Davidson
Tim Steele	Dick Traini
Austin Quinn-Davidson	Forrest Dunbar
Felix Rivera	Pete Petersen
Pete Petersen	Suzanne LaFrance
Suzanne LaFrance	John Weddleton
John Weddleton	

2015-2018 Executive Steering Committee
Elvi Gray-Jackson
Dick Traini
Ernie Hall
Pete Petersen

2018 Assembly Ethics and Elections Committee
Pete Peterson, Chair
Eric Croft
Forrest Dunbar
Dick Traini

Municipal Clerk's Office Election Team
Barbara A. Jones
Amy Solberg
Anna Campione
Carolyn Hall
Cindy Hawkins
Amanda Moser
Jacqueline Yeagle

Project Management
Dennis Wheeler, Project Manager Resource Data, Inc
Kami Fitch, Senior Business Analyst Resource Data, Inc



EXECUTIVE SUMMARY

For decades, Anchorage Municipal Elections suffered from low voter turnout. Historically, Anchorage conducted traditional poll-based elections, with more than 120 polling locations across the Municipality. In an effort to increase the public engagement and voter turnout, in 2015, the Anchorage Assembly directed the Municipal Clerk's Office to explore alternative voting options. Other challenges the Municipal Clerk's Office faced included replacing retiring election workers, aging election equipment, lack of suitable space, security concerns, and strain on the community resources necessary to run poll-based elections.

The Municipal Clerk's Office created a Stakeholder Group to involve the public in the discussion of Vote by Mail. The Stakeholder Group included about a dozen people representing a diverse group of Anchorage citizens. Over time, the Stakeholder Group grew to more than 50 members.

After extensive research of Vote by Mail elections in other jurisdictions and considering stakeholder

input, the Anchorage Assembly determined that Vote by Mail elections could increase voter participation and save community resources. In response, the Anchorage Assembly Ethics and Elections Committee authorized the Municipal Clerk's Office to further explore voting by mail.

The Vote by Mail project began in earnest, building on a foundation of community involvement and engagement. Over the next three years, the Municipal Clerk's Office, and the Anchorage Assembly accomplished the following:

- updated the Municipal Code to reflect the coming changes to location elections;
- found a functional, secure space to administer elections;
- collaborated with the State of Alaska for voter information;
- purchased equipment and software to handle the new technology;
- trained a new workforce to administer Vote by Mail;
- conducted a comprehensive community outreach campaign;
- and more.

The hard work paid off. In 2018, the Municipal Clerk's Office administered the inaugural Vote by Mail election. An historic number of voters participated in the election, with 79,295 ballots cast.



LEGISLATION

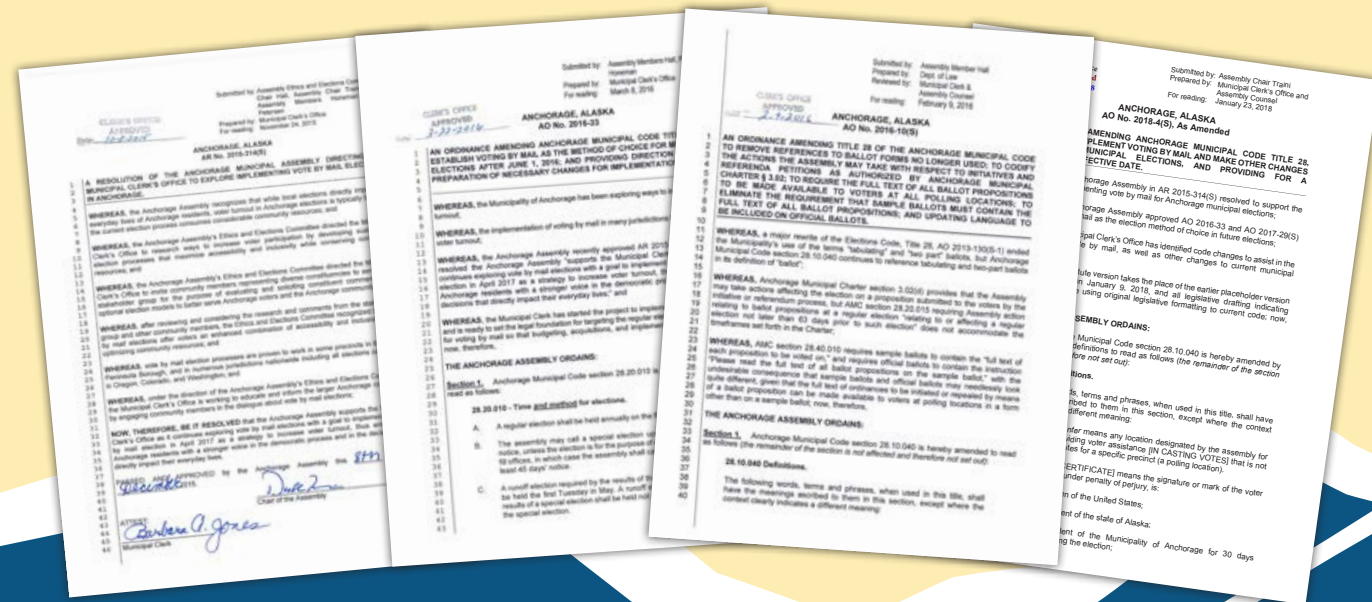
In 2015, the Anchorage Assembly Ethics and Elections Committee asked the Municipal Clerk's Office to find ways to increase voter participation and to save community resources. After a lot of research and review through the community Stakeholder Group, the Clerk's Office shared the results with the Ethics and Elections Committee. The Committee recommended the Assembly adopt a new voting system to deliver ballots by mail to all registered voters. In 2016, the Anchorage Assembly approved a resolution

to establish Vote by Mail as the preferred way to vote. The resolution stated Vote by Mail was "...a strategy to increase voter turnout, thus empowering Anchorage residents with a stronger voice in the democratic process and in the decisions that directly impact their everyday lives...." AR 2016-33.

Preparations for the inaugural Vote by Mail election began right away. Preparations included budgeting, acquisitions, and a number of updates to the Anchorage Municipal Code.



Anchorage Assembly in Chambers at the ZJ Loussac Library



COLLABORATION WITH THE STATE OF ALASKA

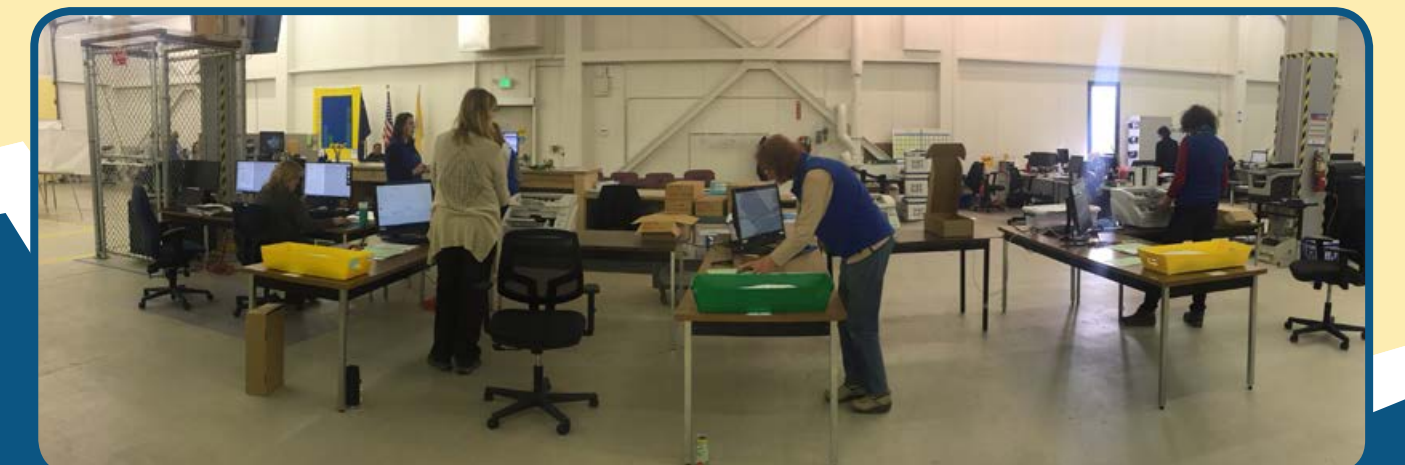
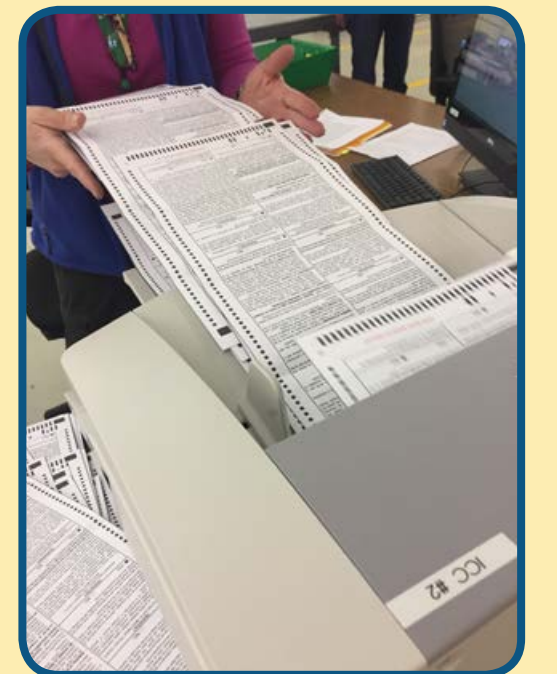


The State of Alaska Division of Elections maintains the voter registration database. The Municipality of Anchorage (MOA) relies on state records from this database to confirm voter eligibility and to assign the correct ballot style. In a Vote by Mail election, accurate information is critical because qualified registered voters receive their ballots in the mail approximately three weeks before Election Day. Voter data, such as names, addresses, and signatures, must be up to date prior to the ballot package mail-out.



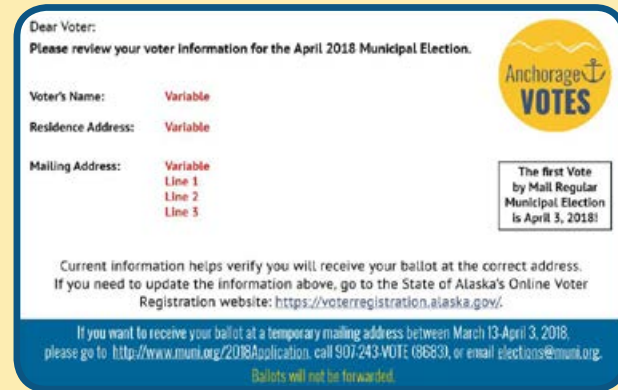
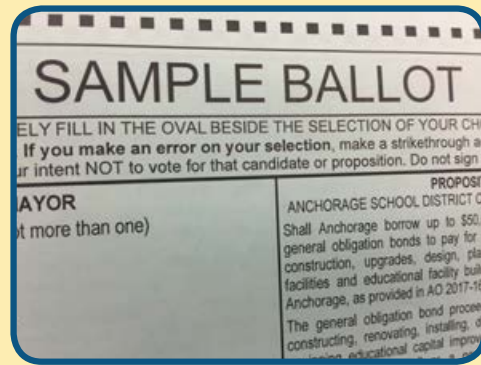
The Lieutenant Governor and the State of Alaska Division of Elections supported the Anchorage Assembly and the Municipal Clerk's Office Vote by Mail efforts in the following ways:

- Members of the State of Alaska Division of Elections staff were early participants in the Stakeholder Group and during the research and Request for Proposal phases.
- Division of Elections Region II Office (Anchorage area) staff securely shared and digitized voter signatures for ballot return envelope voter verification and worked at the MOA Election Center during the 2018 inaugural Vote by Mail election.
- The State of Alaska and the Municipal Clerk's Office collaborated to find opportunities to reduce costs & increase efficiencies.

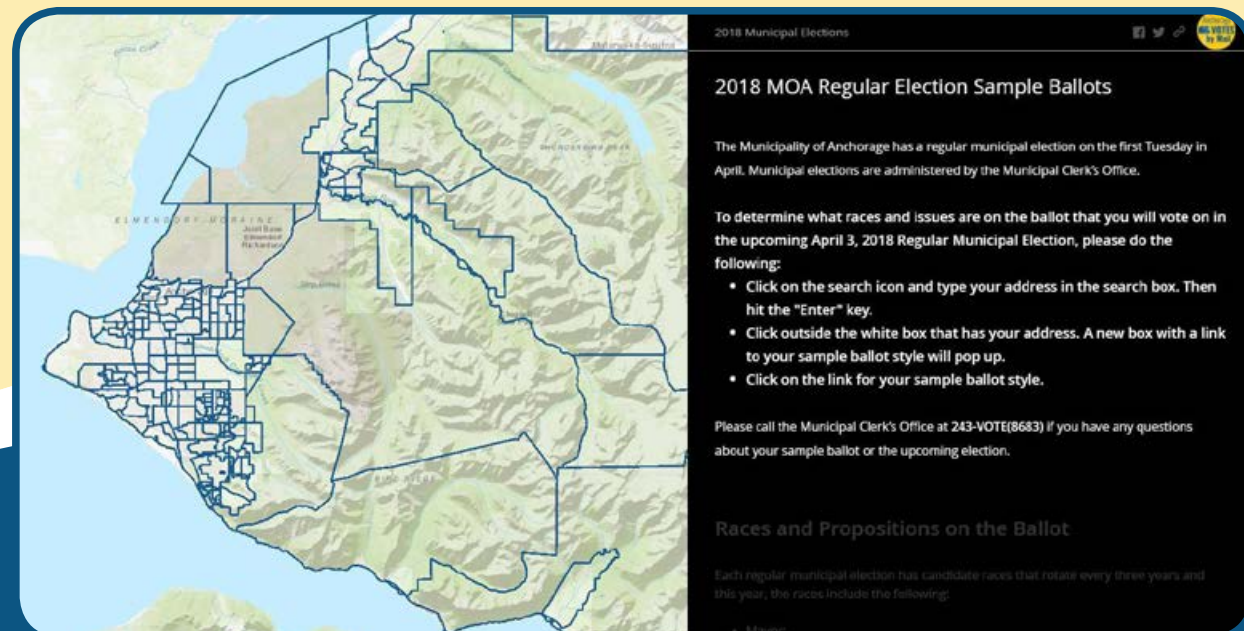


GEOGRAPHIC INFORMATION SERVICES – GIS

Anchorage Municipal voters receive a specific ballot based on their residence address. For this reason, it is particularly important for voter records to contain accurate residence addresses. Since Municipal elections include a number of service areas, such as the Anchorage Fire Service Area that may tax voters differently than voters who do not receive fire services, the Municipal Clerk's Office and the MOA GIS team worked together to match voter residence addresses within the different service areas. This matching process ensures that the voter receives the correct ballot for the races, issues and taxes applicable to that voter.



In preparation for the inaugural Vote by Mail election, GIS also conducted preliminary work to correct and update Anchorage residence address records and created an "Elections and Government" map gallery with a number of online maps. Several featured maps include the "Secure Drop Box and Accessible Vote Center Map," where voters can find the locations of the twelve drop boxes and five Accessible Vote Centers; and the "Sample Ballot Style Map," where voters can enter their address and review the sample ballot for their residence address.



COLLABORATION WITH THE UNITED STATES POSTAL SERVICE



As the name would suggest, a successful Vote by Mail election framework requires significant collaboration with the United States Postal Service. The Municipal Clerk's Office invited USPS representatives to meet with the Vote by Mail Project Team.

The representatives were loyal attendees at all Stakeholder Group meetings and were essential to the success of the first Vote by Mail election.

The Postal Service helped the Municipal Clerk's Office coordinate the following:

- Mail pick up at the main post office;
- Guidance and approval of official ballot package envelopes that meet USPS standards;
- Authorize use of the official election logo on mailed election material;
- Postcard and ballot package support during mail transit.

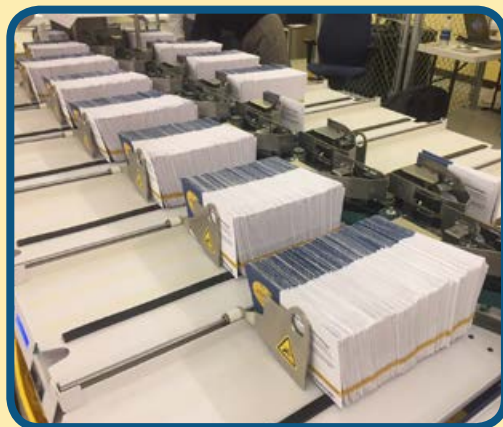
The Municipal Clerk's Office is appreciative of the Postal Service's delivery of 218,000 postcards and 194,000 ballot packages to qualified Anchorage voters.



PROJECT AND OPERATIONS EXPENSES

The Anchorage Assembly allocated funding for the Vote by Mail project and operational costs. The Anchorage Assembly budgeted \$1.28 million to the Vote by Mail project. As of December 31, 2018, the project cost \$1.14 million.

Traditional poll-based elections typically cost the Municipality of Anchorage between \$600,000 - \$700,000 in operational expenses. The inaugural Vote by Mail election in April 2018 cost \$944,000 in operational expenses. Part of the increased cost is largely due to the cost of printing, but also the Clerk's Office deliberately printed extra envelopes and ballots, and hired a high number of staff as safeguards for any unanticipated problems with its first Vote by Mail election. The Municipal Clerk's Office anticipates the cost per vote will drop as it refines and reduces its printing and staffing needs, based on its growing experience.



HOW VOTE BY MAIL WORKS

What is Vote by Mail?

Vote by Mail is an alternative to precinct-based voting in which official ballots are mailed to voters and returned for counting.

How does Vote by Mail work?

Ballot packages are mailed to all qualified registered voters 21 days before Election Day. Each ballot package contains a ballot, ballot return envelope, security envelope, and instructions.

Voters have the opportunity to learn about the issues on the ballot by using trusted resources.

Voters vote their choices, place the ballot into the security envelope, then place the ballot and security envelope into the ballot return envelope. Voters sign the declaration on the back of the ballot return envelope and return the package for processing.

There are three ways to return the ballot package:

1. Placing it in a Secure Drop Box by 8pm on Election Day.
2. Returning it to an Accessible Vote Center by 8pm on Election Day.
3. Mailing it using first class postage through the United States Postal Service, postmarked on or before Election Day.



Accessible Vote Center - O'Malley's on the Green

Voters may visit an Accessible Vote Center if they need assistance. Accessible Vote Centers function like the former absentee polling locations and provide voter services such as replacement ballots and voter assistance.



Secure Drop Box - Fairview Community Recreation Center

SECURE DROP BOXES

Typically, in Vote by Mail elections, all eligible voters receive ballot materials at their mailing address two to three weeks before Election Day and enjoy multiple options for returning their voted ballot materials. Those options include returning the ballots by mail, placing them in a Secure Drop Box, or returning them to an Accessible Vote Center.

A Secure Drop Box functions similar to a book return unit at a library or a Post Office mailbox, including unique design features that resist tampering and vandalism.

Election workers opened the Secure Drop Boxes on March 13, 2018 – the day of the ballot package mail-out. The boxes remained open 24/7 until 8:00 p.m. on Election Day.

Stakeholders and other engaged community members assisted the Municipal Clerk's Office to identify Secure Drop Box sites for the 2018 inaugural Vote by Mail election. The group found twelve locations – two in each Assembly District – that considered the following criteria: good lighting, government property ownership, excellent vehicular and pedestrian traffic flow, and outdoor security cameras. The Clerk's Office secured permission from the following selected locations:

- Loussac Library
- Anchorage School District Education Center
- Bartlett High School
- Clark Middle School
- Dimond High School
- Fairview Community Recreation Center
- Service High School
- South Anchorage High School
- Spenard Community Recreation Center
- UAA Alaska Airlines Center
- Eagle River Town Center
- Girdwood Community Center



ACCESSIBLE VOTE CENTERS

An Accessible Vote Center (AVC) is a location for voters to obtain voter services. "Accessible" for the purpose of Anchorage Municipal Elections means the building is generally accessible to all and that all voters can receive voting assistance.

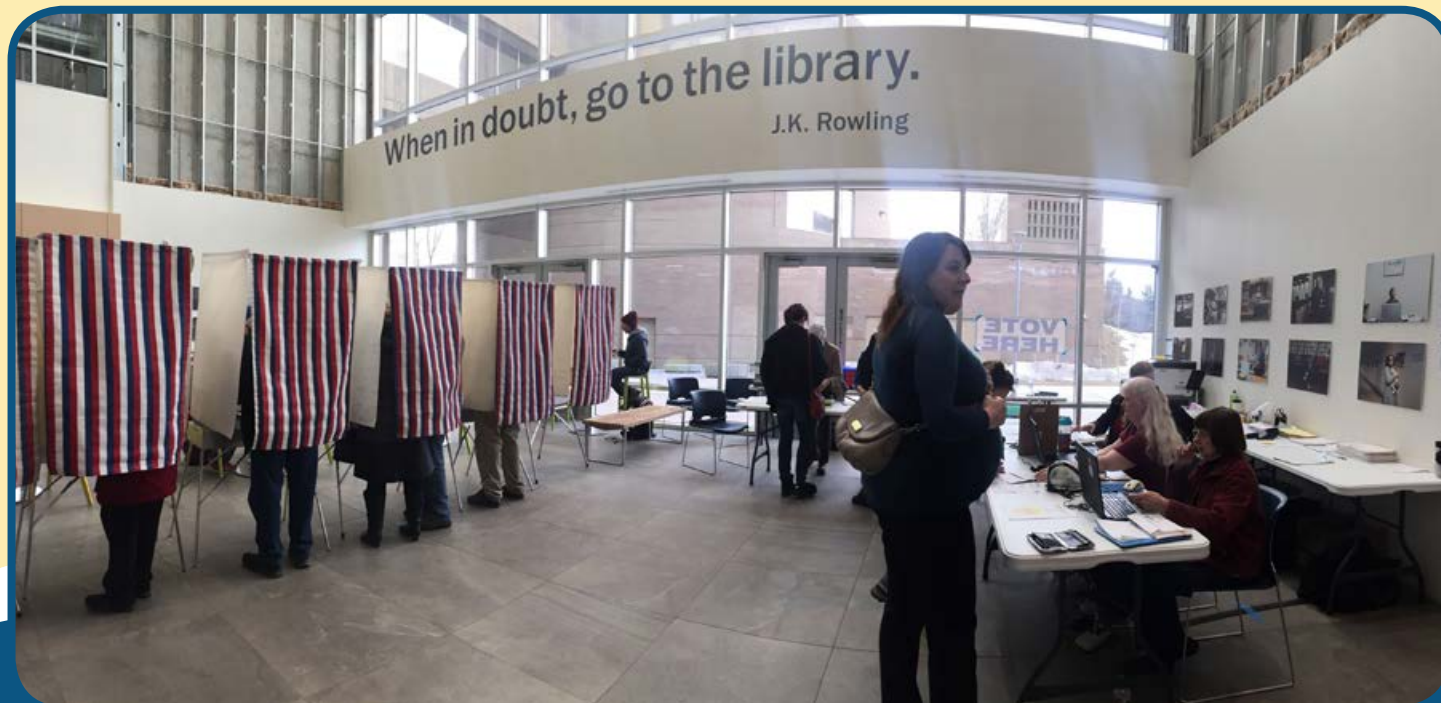
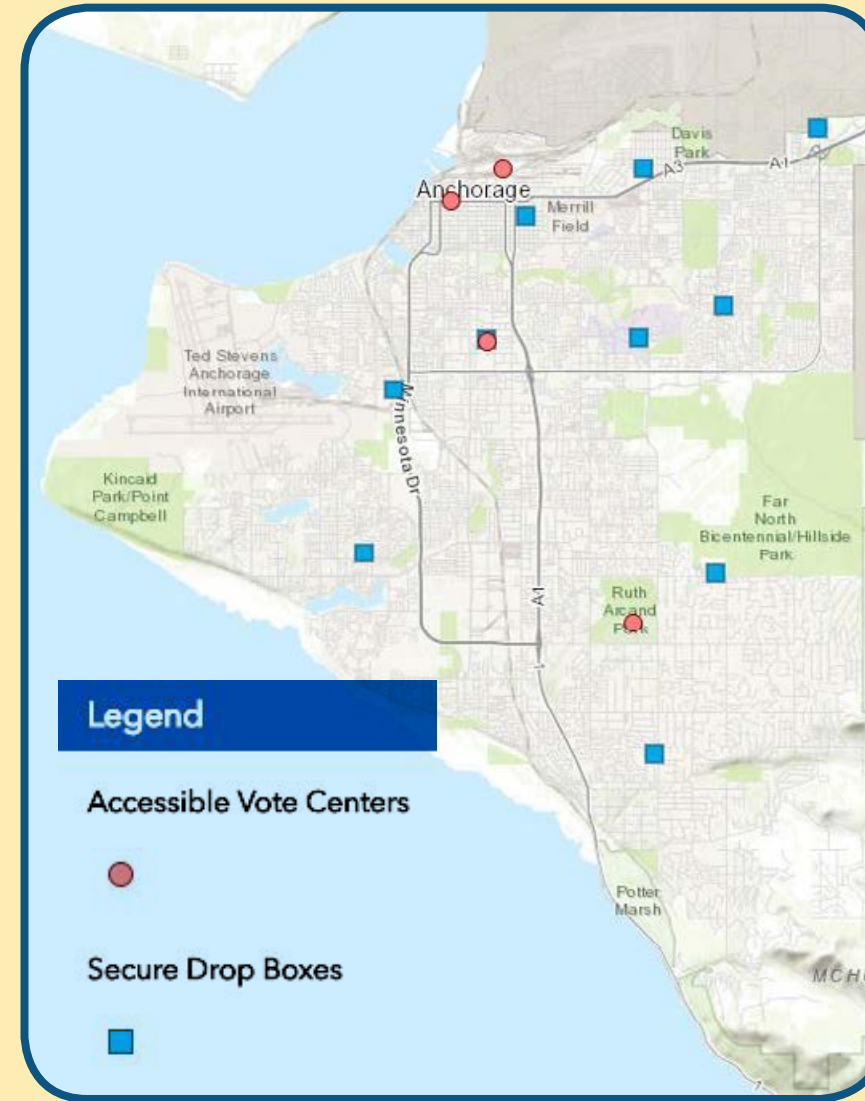
At Accessible Vote Centers, voters have the opportunity to:

- Return their mail ballot.
- Vote in-person if their ballot was lost, damaged, or if they did not receive a ballot package in the mail.
- Receive voting assistance.
- Access help for other voter questions.
- Register to vote.
- Vote a questioned or provisional ballot.

The original MOA Vote by Mail Election plan included four Accessible Vote Centers: Anchorage City Hall, ZJ Loussac Library, Eagle River Town Center, and the MOA Election Center.

In February 2018, community members requested a fifth AVC – at O'Malley's on the Green golf course in South Anchorage.

Accessible Vote Centers (AVCs) opened on Monday, March 26, 2018, and closed at 8:00 p.m. on Election Day, April 3. The Loussac Library AVC opened for early voting, on March 23.



MOA ELECTION CENTER

As Anchorage grew over the last 40-plus years, MOA Elections outgrew its limited space at City Hall. With the addition of Vote by Mail technology, the Municipal Clerk's Office developed a list of attributes desired and initiated a search for a suitable location. Existing Municipality of Anchorage and Anchorage School District property inventory did not meet the requirements.

The VBM Project Team turned to the private sector and found a large warehouse in downtown Anchorage. The MOA Election Center is located at 619 East Ship Creek Avenue, Suite 100 at Door D. With 13,036 square feet of open floor and office space, there is enough room to accommodate all MOA election activity. In late 2016, the Anchorage Assembly signed a three-year lease for the space. The Election Center required some renovation, which began immediately, so it could be ready in time for the first Vote by Mail election.

The Election Center floorplan is designed with envelope, ballot security and voter privacy in mind. Between ballot processing phases, locked cages contain envelopes, ballots and any sensitive voter information. Only select supervisors have keys to gain

entry to the cages. The yellow markings on the Election Center floor indicate the "yellow brick road" for members of the public to tour the facility.

MOA Election Center security features include some of the following:

- Every person in the center wears a colored lanyard that indicates that person's level of access to the floor. For example, all election workers wear green lanyards, which indicates they have access to the floor at-large; whereas, members of the public wear yellow lanyards, which indicates they have access only to the "yellow brick road".
- Nine security cameras detect and record movement in ballot processing areas.
- Two election workers are present with ballots at all times during processing.
- Computers and servers that host sensitive data are air-gapped from the internet, meaning there is no wired or wireless internet access to the election systems or data. Internet is restricted to the staff work area.
- Locked cages protect servers and have limited access entry by election managers.
- To protect voter privacy, no cell phones are permitted on the Election Center floor.



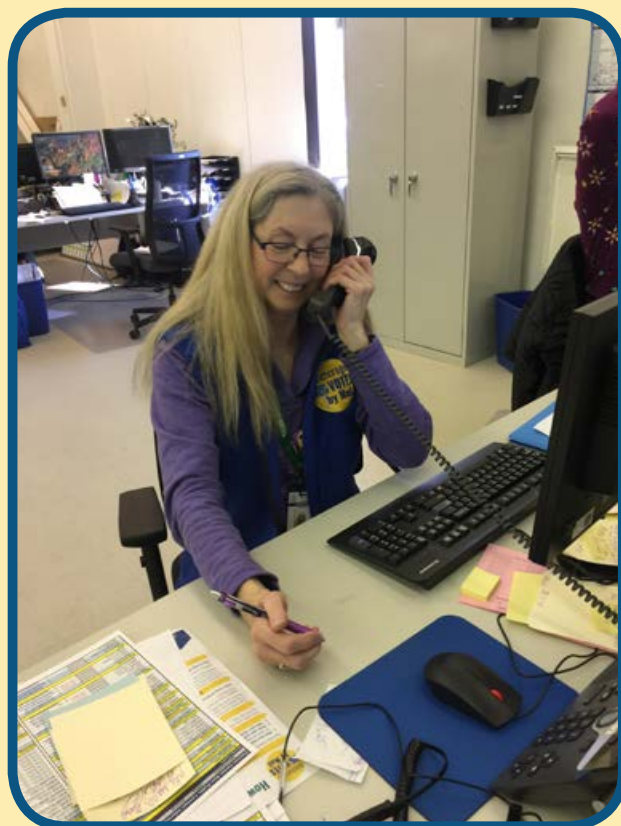
ELECTION WORKERS

Anchorage's poll-based elections required more than 600 temporary election workers. Year over year, the workforce historically suffered from high turnover, with a significant amount of time spent on recruiting and training. The inaugural Vote by Mail election workforce shrunk from 600-plus workers to about 60.

The Clerk's Office needed workers to staff the following areas: Call Center, reception, envelope sorter, signature verification, absentee or temporary address requests, electronic voting requests, Secure Drop Box pick-up, Accessible Vote Centers, USPS mail pick-up, and runners.

TRAINING

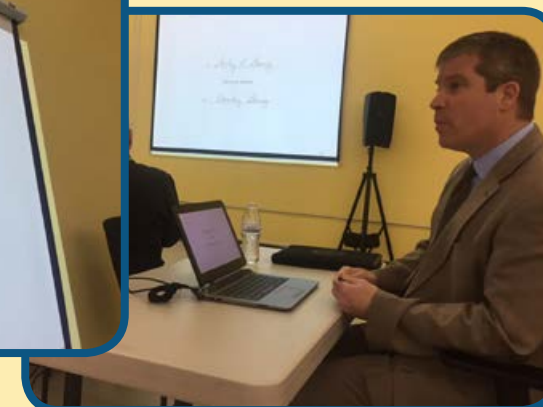
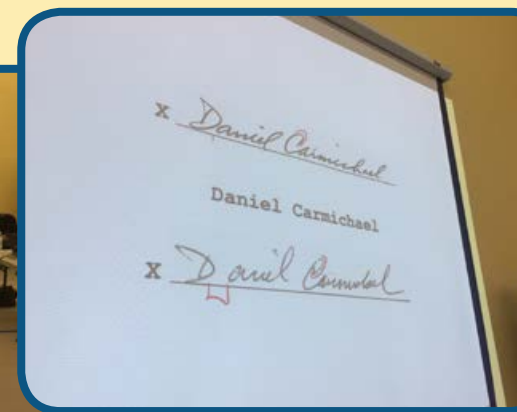
As with poll-based elections, Vote by Mail election workers sign an oath of office, must be trustworthy and have integrity. In addition, Vote by Mail election workers must be highly skilled in specific areas, such as databases and Microsoft Office. The Municipal Clerk's Office diligently focused on training the workers on new election software and procedures.



SIGNATURE VERIFICATION

As is the case in all Vote by Mail jurisdictions, MOA Elections depends on voter signatures to verify voter identity. In February 2018, a Washington State Patrol forensic scientist conducted a signature verification course for election workers.

Workers learned how to compare and weigh the significance of the differences between the



Above: Washington State Patrol forensic scientist Andy Szymanski trains MOA Election Workers in signature verification.

signature on the ballot return envelope with the reference signature(s) on file for each voter. Assembly legislation AO 2018-4(S), As Amended, describes specific guidelines for verifying signatures for Municipal elections.



COMMUNITY EDUCATION AND OUTREACH

STAKEHOLDER GROUP

The Municipal Clerk's Office convened an Elections Stakeholder Group that began meeting in the summer of 2015. The group provided valuable assistance and support in developing election processes intended to help increase voting activity among the members' constituent groups and the Anchorage community as a whole. Through the inaugural Vote by Mail election, the Stakeholder Group included more than 50 engaged members representing the below constituencies:



The Municipal Clerk's Office rolled out an intensive Vote by Mail public education campaign in January 2018 that included the following:

- paid media, such as paid public service announcements, mailed postcards, YouTube pre-roll ads and Facebook ad campaigns
- earned media, such as local news coverage, talk radio show appearances, and social media.
- in-person engagements, such as community presentations, Election Center tours, and tabling opportunities at public events.

Stakeholders	
Access Alaska	Food Bank of Alaska
AFL-CIO	GCI
Alaska Center	League of Women Voters Anchorage
Alaska Map Science	Municipality of Anchorage (MOA) Election Workers
Alaska State Legislature	MOA GIS
Anchorage Assembly	MOA Office of Equal Opportunity
Anchorage Community Land Trust	National Association for the Advancement of Colored People (NAACP)
Anchorage Economic Development Corporation	Office of the Governor
Anchorage Election Commission	Political consultants
Anchorage Faith and Action Congregations Together (AFACT)	State of Alaska, Division of Elections
Anchorage Mayor's Office	The Foraker Group
Anchorage School Board	United States Post Office
Disability Law Center	University of Alaska-Anchorage and the Public
First Alaskans Institute	

The goal was to ensure that every qualified, registered voter in Anchorage received the information the voter needed to cast a ballot in the April election. The main messages addressed:

- *What is Vote by Mail?*
- *Is Vote by Mail secure?*
- *How do I Vote by Mail?*
- *Why did Anchorage switch to Vote by Mail?*
- *What is the deadline to return my ballot?*

The Municipal Clerk's Office leveraged Municipal resources to help get the word out about the changes to local elections. The MOA Video Center and MOA Reprographics Department were critical to the education and outreach effort. The Video Center produced PSAs to air on local television stations and online. The Reprographics Department created fliers, posters, brochures and logos and provided printed materials in a timely manner.

CALL CENTER – 907-243-VOTE (8683)

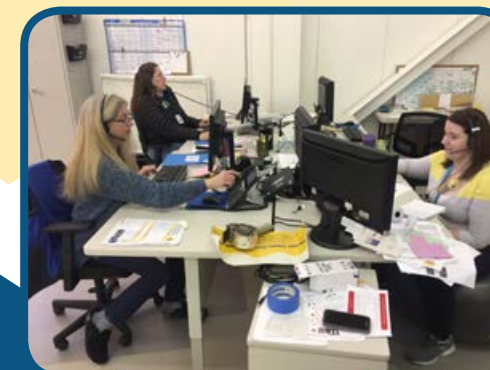
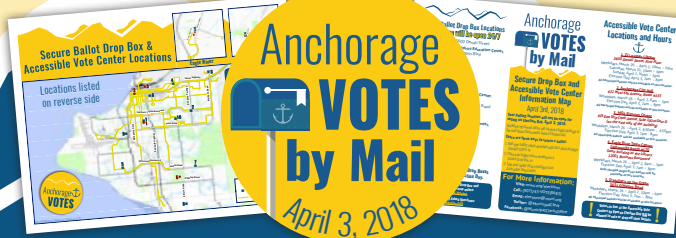
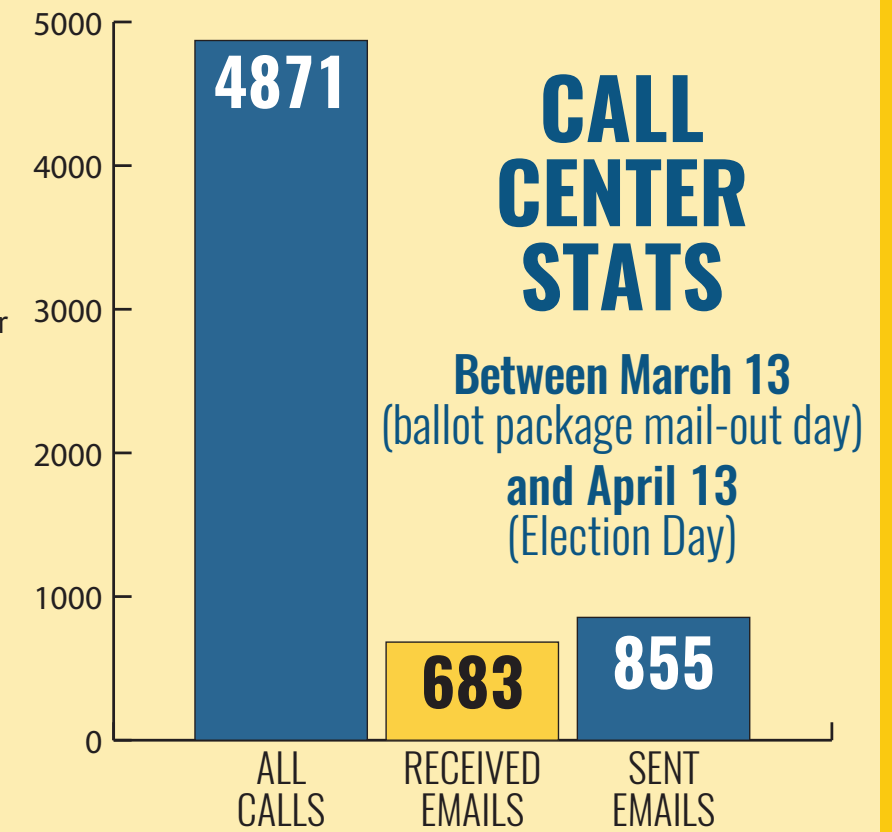
The southeast corner of the MOA Election Center hosts the Call Center, where election workers staff the Voter Hotline at 907-243-VOTE (8683) and respond to emails at elections@muni.org.

The primary responsibility of the Call Center is to provide telephone and e-mail assistance and support to voters. The Voter Hotline began taking calls in February 2018.

The Call Center answered calls Monday through Friday 8:30 a.m. to 4:00 p.m., with extended hours on and around Election Day to meet an anticipated increase in voter questions. Mornings proved particularly busy: approximately 31% of a day's calls were before 10:00 a.m. The Call Center adjusted staffing to meet the morning demand.

Outreach by the Numbers:

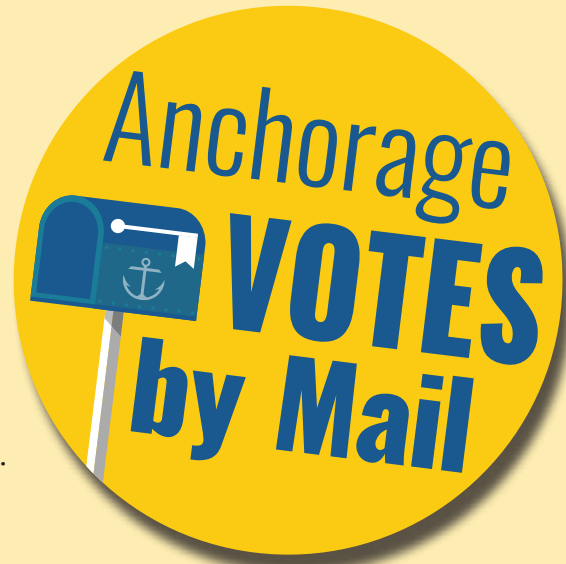
Presentations: 39; approx. 1,300+ people	Facebook posts: 212
Tours: 10+; approx. 250 attendees	Tweets: 128
Digital Media Kit Recipients: approx. 150	YouTube plays, 30-second PSA: approx. 12,000
Tabling Events: 10; approx. 4,300 attendees	YouTube plays, 60-second PSA: approx. 360
Press Releases Issued: 16	Nextdoor posts: 7



RESULTS

April 3, 2018 Regular Municipal Election results and statistics:

- The Municipal Clerk's Office mailed 194,507 ballot packages to qualified registered voters on March 13, 2018.
- The inaugural MOA Vote by Mail election drew a record-breaking voter turnout of 79,295 ballots cast in a Regular Municipal Election.
- The Municipal Clerk's Office Election Signature Verification Team could not match 100 signatures, but reviewed and approved 79,295 signatures, which demonstrates an acceptance rate of 99.87%.
- The Municipal Clerk's Office mailed approximately 779 "Opportunity to Cure" letters to voters to correct signature or other issues with their ballot return envelope. Most voters responded to the letters; ultimately, only 166 voters who received the letters had their ballot envelope rejected by the Election Commission.
- Total ballot envelopes rejected: 671; total ballot envelopes returned after the Public Session of Canvass: 30; Total ballot envelopes returned: 79,996.



Mayoral Election Year*	Ballots Cast	Voter Turnout (%)	Registered Voters
2018	79,295	36.31	218,388
2015	57,536	27.93	206,033
2012	71,099	35.82	198,512

*Voter turnout is typically higher in mayoral elections.

Ballot Envelopes Returned (%)				
Mail	Secure Drop Box	Accessible Vote Center	*Electronic Voting	**Senior Centers
46.7%	38.0%	14.8%	.3%	.1%

*Electronic Voting encompasses requests to vote by email, and by fax.

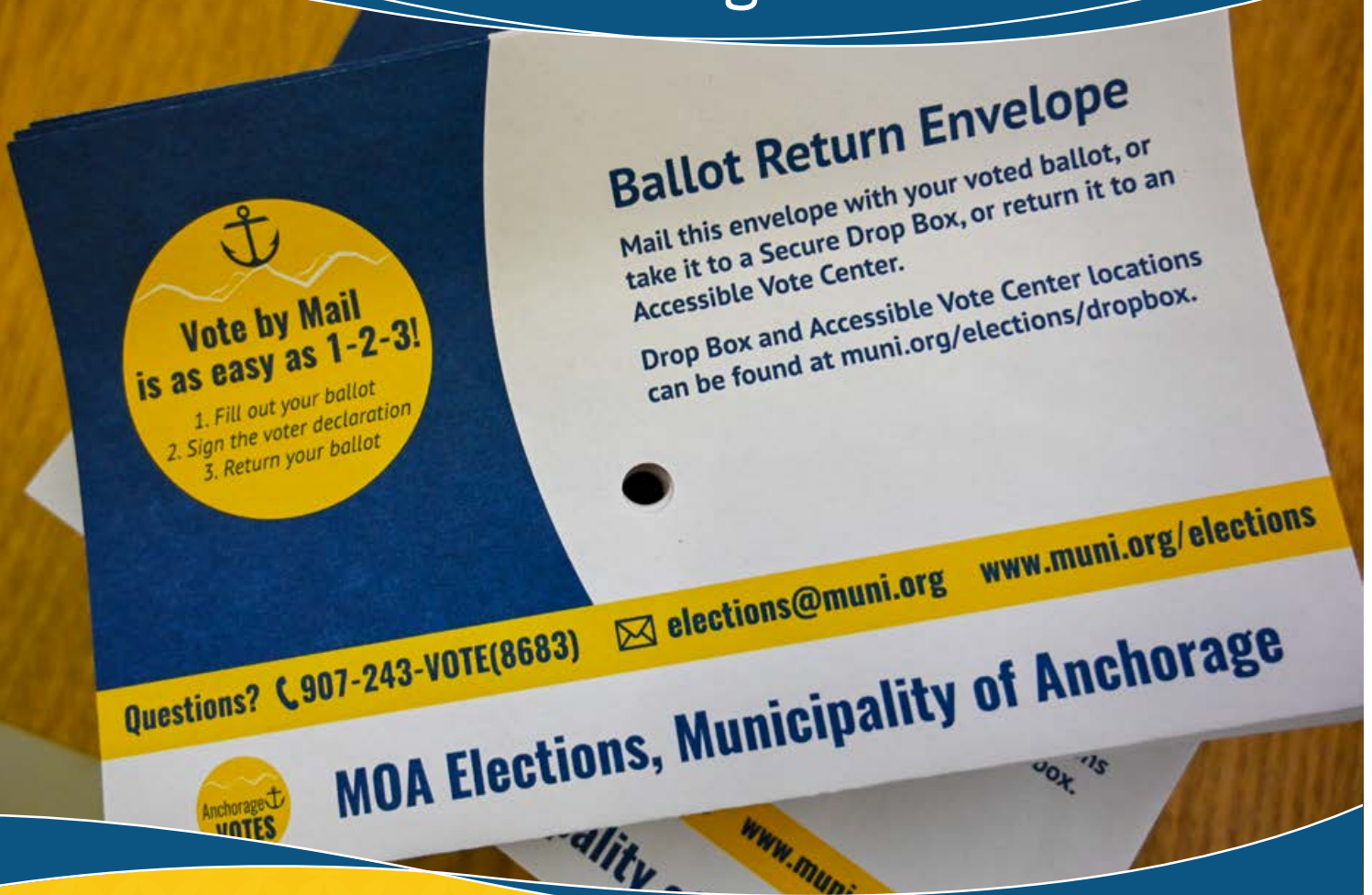
**Ballot boxes staffed by election workers were on-site at Anchorage and Chugiak-Eagle River Senior Centers on occasion around Election Day to assist elders with returning their ballots.

VISION




The Municipal Clerk's Office believes in facilitating a well-informed and well-served community in order to maximize public participation in local government. The Clerk's Office continues to refine the Vote by Mail process and election procedures to improve each voter's experience and involvement in Municipal elections.





**Municipal Clerk's Office
Social Media**

-  [@MunicipalClerksOffice](https://www.facebook.com/MunicipalClerksOffice)
-  [@AncMuniClerk](https://twitter.com/AncMuniClerk)
-  [@anc_muni_clerk](https://www.instagram.com/anc_muni_clerk)

State of Alaska Voter Registration

- Register to Vote:**
<https://voterregistration.alaska.gov/>
- Review your Voter Registration:**
<https://myvoterinformation.alaska.gov/>
- Update your Voter Registration:**
<https://voterregistration.alaska.gov/>

CONTACT INFORMATION

For more information about Municipality of Anchorage elections, please visit the MOA Elections website at muni.org/elections.

You may also email elections@muni.org, call 907-243-VOTE (8683), or visit **City Hall**: 632 West 6th Avenue, Suite 250 • Anchorage, Alaska 99501

or visit **MOA Election Center (January- April)**:
619 East Ship Creek Avenue, Door D • Anchorage, Alaska 99501

**City of Palmer
Information Memorandum No. 20-003**

Subject: Committee of the Whole for Discussion on Remote Sales Tax Information from the Alaska Remote Sellers Sales Tax Commission

Agenda of: January 14, 2020




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ _____

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- ARSSTC Adopted Sales Tax Code
- ARSSTC Supplemental Definitions
- AML Online Sales Tax presentation
- AML FAQ
- AML Code Summary

Summary Statement/Background:

The City Council by resolution joined the ARSSTC as a founding member in 2019 pending the Commissions work on adopting a remote sellers statewide sales tax code and common definitions for municipalities to review and adopt in order to participate in the commissions efforts to collect and remit remote sales tax on behalf of Alaska municipalities.

Municipalities that joined the ARSSTC agreed to adopt the commissions sales tax code for remote sellers within 120 days of the commission's adoption. The ARSSTC adopted the code on January 6, 2020 which gives the municipalities until May 2020 to adopt or withdraw from the commission.

The administration fee has not been established by the ARSSTC as this time for collecting and remitting remote sellers sales tax, but they have established relationships with 2 contractors to conduct these activities.

For discussion:

- Should the city continue to participate in the ARSSTC by adopting the Sales Tax Code and definitions?
- If so, options include adopting by reference or adopting by incorporating into current Palmer Municipal Code (PMC).

If adopting by reference, then changes made by ARSSTC are required to be accepted by resolution as they occur.

If adopting by incorporating into PMC, then changes made by ARSSTC are required to be made by ordinance change.

Other considerations are to update current sales tax code to be consistent with the ARSSTC remote sellers and local sellers.

Recommendation if the city is going to continue to participate, is to commence public hearings in February with potential adoption on February 25 and implementation as soon as April 1.

**ADDENDUM A
REMOTE SELLER SALES TAX CODE & COMMON DEFINITIONS**

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because the State has no income tax, and sales tax revenues are one of the primary sources of funding for services provided by local governments; and

WHEREAS, the failure to collect sales tax on remote sales creates market distortions by creating an unfair tax advantage for businesses that limit their physical presence in the taxing jurisdictions but still sell goods and services to consumers, which becomes easier and more prevalent as technology advances; and

WHEREAS, the failure to tax remote sales results in the creation of incentives for businesses to avoid a physical presence in the state and its respective communities, resulting in fewer jobs and increasing the share of taxes to those consumers who buy from competitors with a physical presence in the state and its cities; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy as well as burdening local infrastructure and services; and

WHEREAS, delivery of goods and services into local municipalities rely on and burden local transportation systems, emergency and police services, waste disposal, utilities and other infrastructure and services; and,

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

WHEREAS, due to a recent decision by the United States Supreme Court and the lack of a state sales tax it is appropriate for the municipalities to collectively amend their sales tax codes to account for remote sellers who do not have a physical presence either in the State of Alaska or in a specific taxing jurisdiction, but do have a taxable connection with the State of Alaska or taxing jurisdiction; and

WHEREAS, this ordinance is not retroactive in its application; and

WHEREAS, this ordinance provides a safe harbor to those who transact limited sales in Alaska; and

WHEREAS, amending local sales tax codes reflects the 2018 Supreme Court “*Wayfair*” decision to allow for the application of the taxing jurisdiction’s sales tax code requirements to sellers without a physical presence in the State of Alaska or taxing jurisdiction; and

WHEREAS, the intent is to levy municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, the [insert name of municipality] has entered into a cooperative agreement with other local governments called the Alaska Intergovernmental Remote Seller Sales Tax Agreement (“the Agreement”); and

WHEREAS, the terms of the Agreement require adoption of certain uniform provisions for collection and remittance of municipal sales tax applicable to sales made by remote sellers similar to the Streamlined Sales and Use Tax Agreement.

NOW, THEREFORE, it is enacted as follows:

Chapter __ of the [fill in name] Code of Ordinances is hereby amended by adopting a new Chapter __ to read as follows:

Sales Made by Remote Sellers: The Alaska Remote Sellers Sales Tax Code is an ordinance prepared by the Alaska Remote Seller Sales Tax Commission and hereby adopted by reference.

ALASKA REMOTE SELLER SALES TAX CODE

XX.XX.010 – Interpretation.

- A. In order to prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person or entity engaging in business are subject to the sales tax.
- B. The application of the tax levied under this Code shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax levied under this Code or from the taxing jurisdiction shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this Code or the taxing jurisdiction's Code.
- D. The scope of this Code shall apply to remote sellers or marketplace facilitators, delivering products or services to Member municipalities adopting this Code, within the state of Alaska.

XX.XX.020 – Title to Collected Sales Tax

Upon collection by the remote seller or marketplace facilitator, title to collected sales tax vests in the Commission for remittance to the taxing jurisdiction. The remote seller or marketplace facilitator remits collected sales tax to the Commission on behalf of the taxing jurisdiction, from whom that power is delegated, in trust for the taxing jurisdiction and is accountable to the Commission and taxing jurisdiction.

XX.XX.030 – Imposition – Rate

- A. To the fullest extent permitted by law, a sales tax is levied and assessed on all remote sales where delivery is made within the local taxing jurisdiction(s) that is a Member, within the state of Alaska.
- B. The applicable tax shall be added to the sales price.
- C. The tax rate added to the sale price shall be the tax rate for the taxing jurisdiction(s) where the property or product is sold, or service that was rendered is received, and based on the date the property or product was sold or the date the service rendered was received.
- D. An Address and Tax Rate Database will be made available to remote sellers and marketplace facilitators, indicating the appropriate tax rate to be applied.
- E. The tax assessed shall be consistent with relevant jurisdictional tax caps, single unit sales, and exemptions.
- F. When a sale is made on an installment basis, the applicable sales tax shall be collected at each payment, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered, based on the local jurisdictions' Code(s).
- G. When a sales transaction involves placement of a single order with multiple deliveries made at different points in time that are separately invoiced, the applicable sales tax shall be collected on each separately invoiced delivery, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered.

XX.XX.040. – Obligation to Collect Tax - Threshold Criteria

- A. Any remote seller or marketplace facilitator must collect and remit sales tax in compliance

with all applicable procedures and requirements of law, provided the remote seller or marketplace facilitator has met one of the following Threshold Criteria (“Threshold Criteria”) in the previous calendar year:

1. The remote seller’s statewide gross sales, including the seller’s marketplace facilitator’s statewide gross sales, from the sale(s) of property, products or services delivered into the state meets or exceeds one hundred thousand dollars (\$100,000);
or
 2. The remote seller, including the seller’s marketplace facilitator, sold property, products, or services delivered into the state in two hundred (200) or more separate transactions.
- B. For purposes of determining whether the Threshold Criteria are met, remote sellers or marketplace facilitators shall include all gross sales, from all sales of goods, property, products, or services rendered within the state of Alaska.

XX.XX.050. – No Retroactive Application

The obligations to collect and remit sales tax required by this chapter are applicable at the effective date of the ordinance adopting the Alaska Remote Seller Sales Tax Code.

XX.XX.060 – Payment and Collection

Pursuant to this Code, taxes imposed shall be due and paid by the buyer to the remote seller or marketplace facilitator at the time of the sale of property or product or date service is rendered, or with respect to credit transactions, at the time of collection. It shall be the duty of each remote seller or marketplace facilitator to collect the taxes from the buyer and to hold those taxes in trust for the taxing authority of the taxing jurisdiction. Failure by the remote seller or marketplace facilitator to collect the tax shall not affect the remote seller’s, or marketplace facilitator’s, responsibility for payment to the Commission.

XX.XX.070 – Remote Seller and Marketplace Facilitator Registration Requirement

- A. If a remote seller’s gross statewide sales within the last calendar year meets or exceeds the Threshold Criteria, the remote seller shall register with the Commission. If a marketplace facilitator’s gross statewide sales within the last calendar year meets or exceeds the Threshold Criteria, the marketplace facilitator shall register with the Commission.
- B. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the effective date of this Code or within thirty (30) calendar days of meeting the Threshold Criteria whichever occurs second. Registration shall be to the Commission on forms prescribed by the Commission.
- C. An extension may be applied for and granted based on criteria established by the Commission, based on evidence produced to describe time necessary to update software or other technical needs, not to exceed ninety (90) days.
- D. Upon receipt of a properly executed application, the Commission shall confirm registration, stating the legal name of the remote seller or marketplace facilitator, the primary address, and the primary sales tax contact name and corresponding title. The failure of the Commission to confirm registration does not relieve the remote seller or marketplace facilitator of its duty to collect and remit sales tax.

- E. Each business entity shall have a sales tax registration under the advertised name.
- F. The sales tax certificate is non-assignable and non-transferable.

XX.XX.80.-Tax Filing Schedule

- A. All remote sellers or marketplace facilitators subject to this Code shall file a return on a form or in a format prescribed by the Commission and shall pay the tax due.
- B. Filing of sales tax returns are due monthly; quarterly filing is optional upon application and approval by the Commission, consistent with the code of the local jurisdiction.
- C. A remote seller or marketplace facilitator who has filed a sales tax return will be presumed to be making sales in successive periods unless the remote seller or marketplace facilitator files a return showing a termination or sale of the business in accordance with this Code.
- D. The completed and executed return, together with the remittance in full for the tax due, shall be transmitted to and must be received by the Commission on or before midnight Alaska Standard Time on the due date. Monthly returns are due the last day of the immediate subsequent month. Quarterly returns are due as follows:

Quarter 1 (January – March)	April 30
Quarter 2 (April – June)	July 31
Quarter 3 (July – September)	October 31
Quarter 4 (October – December)	January 31
- E. If the last day of the month following the end of the filing period falls on a Saturday, Sunday, federal holiday or Alaska state holiday, the due date will be extended until the next business day immediately following.
- F. Any remote seller or marketplace facilitator holding a remote seller registration shall file a sales tax return even though no tax may be due. This return shall show why no tax is due. If the remote seller or marketplace facilitator intends to continue doing business a return shall be filed reflecting no sales and a confirmation of the intent to continue doing business and shall continue to do so each filing period until the entity ceases doing business or sells the business. If the remote seller or marketplace facilitator intends to cease doing business, a final return shall be filed along with a statement of business closure.
- G. The remote seller or marketplace facilitator shall prepare the return and remit sales tax to the Commission on the same basis, cash or accrual, which the remote seller or marketplace facilitator uses in preparing its federal income tax return. The remote seller or marketplace facilitator shall sign the return, and transmit the return, with the amount of sales tax and any applicable penalty, interest or fees that it shows to be due, to the Commission.
- H. Remote sellers and marketplace facilitators failing to comply with the provisions of this Code shall, if required by the Commission and if quarterly filing has been chosen, file and transmit collected sales taxes more frequently until such time as they have demonstrated to the Commission that they are or will be able to comply with the provisions of this Code. Six (6) consecutive on-time sales tax filings, with full remittance of the sales taxes collected, shall establish the presumption of compliance and return to quarterly filing.
- I. The preparer of the sales tax return shall keep and maintain all documentation

supporting any and all claims of exempted sales and purchases. Documentation for exempted sales should include the number of the exemption authorization card presented by the buyer at the time of the purchase; the date of the purchase; the name of the person making the purchase; the organization making the purchase; the total amount of the purchase; and the amount of sales tax exempted. This documentation shall be made available to the Commission upon request. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

XX.XX.90.- Estimated Tax

- A. In the event the Commission is unable to ascertain the tax due from a remote seller or marketplace facilitator by reason of the failure of the remote seller or marketplace facilitator to keep accurate books, allow inspection, or file a return, or by reason of the remote seller or marketplace facilitator filing a false or inaccurate return, the Commission may make an estimate of the tax due based on any evidence in their possession.
- B. Sales taxes may also be estimated, based on any information available, whenever the Commission has reasonable cause to believe that any information on a sales tax return is not accurate.
- C. A remote seller's or marketplace facilitator's tax liability under this Code may be determined and assessed for a period of six (6) years after the date the return was filed or due to be filed with the Commission. No civil action for the collection of such tax may be commenced after the expiration of the six- (6-) year period except an action for taxes, penalties and interest due from those filing periods that are the subject of a written demand or assessment made within the six- (6-) year period, unless the remote seller or marketplace facilitator waives the protection of this section.
- D. The Commission shall notify the remote seller or marketplace facilitator, in writing, that the Commission has estimated the amount of sales tax that is due from the remote seller or marketplace facilitator. The Commission shall serve the notice on the remote seller or marketplace facilitator by delivering the notice to the remote seller's or marketplace facilitator's place of business, or by mailing the notice by certified mail, return receipt requested, to the remote seller's or marketplace facilitator's last known mailing address. A remote seller or marketplace facilitator who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.
- E. The Commission's estimate of the amount of sales tax that is due from a remote seller or marketplace facilitator shall become a final determination of the amount that is due unless the remote seller or marketplace facilitator, within thirty (30) calendar days after service of notice of the estimated tax:
 - 1. Files a complete and accurate sales tax return for the delinquent periods supported by satisfactory records and accompanied by a full remittance of all taxes, interest, penalties, costs and other charges due; or
 - 2. Files a written notice with the Commission appealing the estimated tax amount in accordance with the appeal procedures.
 - 3. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting an appeal of an assessment are:
 - a. The identity of the remote seller or marketplace facilitator is in error;

- b. The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for appeal); or
 - c. The remote seller or marketplace facilitator disputes the denial of exemption(s) for certain sales.
- F. The amount of sales tax finally determined to be due under this section shall bear interest and penalty from the date that the sales tax originally was due, plus an additional civil penalty of fifty dollars (\$50) for each calendar month or partial month for which the amount of sales tax that is due has been determined.

XX.XX.100.-Returns – Filing Contents

- A. Every remote seller or marketplace facilitator required by this chapter to collect sales tax shall file with the Commission upon forms furnished by the Commission a return setting forth the following information with totals rounded to the nearest dollar:
 - 1. Gross sales;
 - 2. The nontaxable portions separately stating the amount of sales revenue attributable to each class of exemption;
 - 3. Computation of taxes to be remitted;
 - 4. Calculated discount (if applicable) based on taxing jurisdiction’s code; and
 - 5. Such other information as may be required by the Commission.
- B. Each tax return remitted by a remote seller or marketplace facilitator shall be signed (digital or otherwise) by a responsible individual who shall attest to the completeness and accuracy of the information on the tax return.
- C. The Commission reserves the right to reject a filed return for failure to comply with the requirements of this Code for up to three (3) months from the date of filing. The Commission shall give written notice to a remote seller or marketplace facilitator that a return has been rejected, including the reason for the rejection.

XX.XX.110 – Refunds

- A. Upon request from a buyer or remote seller or marketplace facilitator the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller or marketplace facilitator shall process the refund and amend any returns accordingly.
- B. If the claimant is a remote seller or marketplace facilitator, and the tax refund is owed to any buyer, the remote seller or marketplace facilitator submits, and the Commission approves, a refund plan to all affected buyers.
- C. The Taxing Jurisdictions may allow a buyer to request a refund directly from the Taxing Jurisdiction.

X XX.XX.120. – Amended Returns

- A. A remote seller or marketplace facilitator may file an amended sales tax return, with supporting documentation, and the Commission may accept the amended return, but only in the following circumstances:
 - i. The amended return is filed within one (1) year of the original due date for the return; and
 - ii. The remote seller or marketplace facilitator provides a written justification for requesting approval of the amended return; and
 - iii. The remote seller or marketplace facilitator agrees to submit to an audit upon request

- of the Commission.
- B. The Commission shall notify the remote seller or marketplace facilitator in writing (by email or otherwise) whether the Commission accepts or rejects an amended return, including the reasons for any rejection.
 - C. The Commission may adjust a return for a remote seller or marketplace facilitator if, after investigation, the Commission determines the figure included in the original returns are incorrect; and the Commission adjusts the return within two (2) years of the original due date for the return.
 - D. A remote seller or marketplace facilitator may file a supplemental sales tax return, with supporting documentation, and the Commission may accept the supplemental return, but only in the following circumstances:
 - i. The remote seller or marketplace facilitator provides a written justification for requesting approval of the supplemental return; and
 - ii. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the Commission.

XX.XX.130. – Extension of Time to File Tax Return

Upon written application of a remote seller or marketplace facilitator, stating the reasons therefor, the Commission may extend the time to file a sales tax return but only if the Commission finds each of the following:

1. For reasons beyond the remote seller's or marketplace facilitator's control, the remote seller or marketplace facilitator has been unable to maintain in a current condition the books and records that contain the information required to complete the return;
2. Such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon the remote seller or marketplace facilitator;
3. The remote seller or marketplace facilitator has a plan to cure the problem that caused the remote seller or marketplace facilitator to apply for an extension and the remote seller or marketplace facilitator agrees to proceed with diligence to cure the problem;
4. At the time of the application, the remote seller or marketplace facilitator is not delinquent in filing any other sales tax return, in remitting sales tax to the Commission or otherwise in violation of this chapter;
5. No such extension shall be made retroactively to cover existing delinquencies.

XX.XX.140 – Audits

- A. Any remote seller or marketplace facilitator who has registered with the Commission, who is required to collect and remit sales tax, or who is required to submit a sales tax return is subject to a discretionary sales tax audit at any time. The purpose of such an audit is to examine the business records of the remote seller or marketplace facilitator in order to determine whether appropriate amounts of sales tax revenue have been collected by the remote seller or marketplace facilitator and remitted to the Commission.
- B. The Commission is not bound to accept a sales tax return as correct. The Commission may make an independent investigation of all retail sales or transactions conducted within the State or taxing jurisdiction.
- C. The records that a remote seller or marketplace facilitator is required to maintain under this chapter shall be subject to inspection and copying by authorized employees or agents of the Commission for the purpose of auditing any return filed under this chapter, or to

determine the remote seller's or marketplace facilitator's liability for sales tax where no return has been filed.

- D. In addition to the information required on returns, the Commission may request, and the remote seller or marketplace facilitator must furnish, any reasonable information deemed necessary for a correct computation of the tax.
- E. The Commission may adjust a return for a remote seller or marketplace facilitator if, after investigation or audit, the Commission determines that the figures included in the original return are incorrect, and that additional sales taxes are due; and the Commission adjusts the return within two (2) years of the original due date for the return.
- F. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the Commission may conduct investigations, hearings and audits and may examine any relevant books, papers, statements, memoranda, records, accounts or other writings of any remote seller or marketplace facilitator at any reasonable hour on the premises of the remote seller or marketplace facilitator and may require the attendance of any officer or employee of the remote seller or marketplace facilitator. Upon written demand by the Commission, the remote seller or marketplace facilitator shall present for examination, in the office of the Commission, such books, papers, statements, memoranda, records, accounts and other written material as may be set out in the demand unless the Commission and the person upon whom the demand is made agree to presentation of such materials at a different place.
- G. The Commission may issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda. If any remote seller or marketplace facilitator refuses to obey any such subpoena, the Commissioner may refer the matter to the Commission's attorney for an application to the superior court for an order requiring the remote seller or marketplace facilitator to comply therewith.
- H. Any remote seller, marketplace facilitator, or person engaged in business who is unable or unwilling to submit their records to the Commission shall be required to pay the Commission for all necessary expenses incurred for the examination and inspection of their records maintained outside the Commission.
- I. After the completion of a sales tax audit, the results of the audit will be sent to the business owner's address of record.
- J. In the event the Commission, upon completion of an audit, discovers more than five hundred dollars (\$500) in additional sales tax due from a remote seller or marketplace facilitator resulting from a remote seller's or marketplace facilitator's failure to accurately report sales and taxes due thereupon, the remote seller or marketplace facilitator shall bear responsibility for the full cost of the audit. The audit fee assessment will be in addition to interest and penalties applicable to amounts deemed to be delinquent by the Commission at the time of the conclusion of the audit.

XX.XX.150.- Audit protest

- A. If the remote seller or marketplace facilitator wishes to dispute the amount of the estimate, or the results of an examination or audit, the remote seller or marketplace facilitator must file a written protest with the Commission, within thirty (30) calendar days of the date of the notice of estimated tax or results of an audit or examination. The protest must set forth:
 - 1. The remote seller's or marketplace facilitator's justification for reducing or

- increasing the estimated tax amount, including any missing sales tax returns for the periods estimated; or
2. The remote seller's or marketplace facilitator's reasons for challenging the examination or audit results.
- B. In processing the protest, the Commission may hold an informal meeting or hearing with the remote seller or marketplace facilitator, either on its own or upon request of the remote seller or marketplace facilitator, and may also require that the remote seller or marketplace facilitator submit to an audit, if one was not previously conducted or a more formal audit, if an estimation audit was previously performed.
 - C. The Commission shall make a final written determination on the remote seller's or marketplace facilitator's protest and mail a copy of the determination to the remote seller or marketplace facilitator.
 - D. If a written protest is not filed within thirty (30) days of the date of the notice of estimated tax or the result of a review, audit or examination, then the estimated tax, review, audit or examination result shall be final, due and payable to the Commission.

XX.XX.160. – Penalties and Interest for Late Filing

- A. A late filing fee of twenty-five dollars (\$25) per month (or quarter) shall be added to all late-filed sales tax reports in addition to interest and penalties.
- B. Delinquent sales tax bear interest at the rate of fifteen percent (15%) per annum until paid.
- C. In addition, delinquent sales tax shall be subject to an additional penalty of 5% per month, or fraction thereof, until a total of 20% of delinquent tax has been reached. The penalty does not bear interest.
- D. Fees, penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected, and applied first to fees, penalties and interest, second to past due sales tax.
- E. The filing of an incomplete return, or the failure to remit all tax, shall be treated as the filing of no return.
- F. A penalty assessed under this section for the delinquent remittance of sales tax or failure to file a sales tax return may be waived by the Commission, upon written application of the remote seller or marketplace facilitator accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the remote seller or marketplace facilitator, within forty-five (45) calendar days after the date of delinquency. A remote seller or marketplace facilitator may not be granted more than one (1) waiver of penalty under this subsection in any one calendar year. The Commission shall report such waivers of penalty to the taxing jurisdiction, in writing.

XX.XX.170 – Repayment Plans

- A. The Commission may agree to enter into a repayment plan with a delinquent remote seller or marketplace facilitator. No repayment plan shall be valid unless agreed to by both parties in writing.
- B. A remote seller or marketplace facilitator shall not be eligible to enter into a repayment plan with the Commission if the remote seller or marketplace facilitator has defaulted on a repayment plan in the previous two (2) calendar years.
- C. The repayment plan shall include a secured promissory note that substantially complies

with the following terms:

- i. The remote seller or marketplace facilitator agrees to pay a minimum of ten percent (10%) down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
 - ii. The remote seller or marketplace facilitator agrees to pay the balance of the tax, penalty and interest owed in monthly installments over a period not to exceed two (2) years.
 - iii. Interest at a rate of fifteen percent (15%) per annum shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
 - iv. If the remote seller or marketplace facilitator is a corporation or a limited liability entity the remote seller or marketplace facilitator agrees to provide a personal guarantee of the obligations under the repayment plan.
 - v. The remote seller or marketplace facilitator agrees to pay all future tax bills in accordance with the provisions of this chapter.
 - vi. The remote seller or marketplace facilitator agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the Commission at the time the repayment plan is signed. The remote seller or marketplace facilitator shall be responsible for the cost of recording the tax lien.
- D. If a remote seller or marketplace facilitator fails to pay two (2) or more payments as required by the repayment plan agreement, the remote seller or marketplace facilitator shall be in default and the entire amount owed at the time of default shall become immediately due. The Commission will send the remote seller or marketplace facilitator a notice of default. The Commission may immediately foreclose on the sales tax lien or take any other remedy available under the law.

XX.XX.180. – Remote Seller or Marketplace Facilitator Record Retention

Remote sellers or marketplace facilitators shall keep and preserve suitable records of all sales made and such other books or accounts as may be necessary to determine the amount of tax which the remote seller or marketplace facilitator is obliged to collect. Remote sellers or marketplace facilitators shall preserve suitable records of sales for a period of six (6) years from the date of the return reporting such sales, and shall preserve for a period of six (6) years all invoices of goods and merchandise purchased for resale, and all such other books, invoices and records as may be necessary to accurately determine the amount of taxes which the remote seller or marketplace facilitator was obliged to collect under this chapter.

XX.XX.190. Cessation or Transfer of Business

- A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits, transfers or assigns the majority of their business interest, including a creditor or secured party, shall make a final sales tax return within thirty (30) days after the date of such conveyance.
- B. At least ten (10) business days before any such sale is completed, the remote seller or marketplace facilitator shall send to the Commission, by approved communication (email confirmation, certified first-class mail, postage prepaid) a notice that the remote

seller's or marketplace facilitator's interest is to be conveyed and shall include the name, address and telephone number of the person or entity to whom the interest is to be conveyed.

- C. Upon notice of sale and disclosure of buyer, the Commission shall be authorized to disclose the status of the remote seller's or marketplace facilitator's sales tax account to the named buyer or assignee.
- D. Upon receipt of notice of a sale or transfer, the Commission shall send the transferee a copy of this Code with this section highlighted.
- E. Neither the Commission's failure to give the notice nor the transferee's failure to receive the notice shall relieve the transferee of any obligations under this section.
- F. Following receipt of the notice, the Commission shall have sixty (60) days in which to perform a final sales tax audit and assess sales tax liability against the seller of the business. If the notice is not mailed at least ten (10) business days before the sale is completed, the Commission shall have twelve (12) months from the date of the completion of the sale or the Commission's knowledge of the completion of the sale within which to begin a final sales tax audit and assess sales tax liability against the seller of the business. The Commission may also initiate an estimated assessment if the requirements for such an assessment exist.
- G. A person acquiring any interest of a remote seller or marketplace facilitator in a business required to collect the tax under this chapter assumes the liability of the remote seller or marketplace facilitator for all taxes due the Commission, whether current or delinquent, whether known to the Commission or discovered later, and for all interest, penalties, costs and charges on such taxes.
- H. Before the effective date of the transfer, the transferee of a business shall obtain from the Commission an estimate of the delinquent sales tax, penalty and interest, if any, owed by the remote seller or marketplace facilitator as of the date of the transfer, and shall withhold that amount from the consideration payable for the transfer, until the remote seller or marketplace facilitator has produced a receipt from the Commission showing that all tax obligations imposed by this chapter have been paid. A transferee that fails to withhold the amount required under this subsection shall be liable to the Commission and taxing jurisdiction for the lesser of the amount of delinquent sales tax, penalty and interest due from the remote seller or marketplace facilitator as of the date of transfer, and the amount that the transferee was required to withhold.
- I. In this section, the term "transfer" includes the following:
 - 1. A change in voting control, or in more than fifty percent (50%) of the ownership interest in a remote seller or marketplace facilitator that is a corporation, limited liability company or partnership; or
 - 2. A sale of all or substantially all the assets used in the business of the remote seller or marketplace facilitator; or
 - 3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the remote seller's or marketplace facilitator's gross receipts from sales, rentals or services.
- J. Subsection H of this section shall not apply to any person who acquires their ownership interest in the ongoing business as a result of the foreclosure of a lien that has priority over the Commission's sales tax lien.
- K. Upon termination, dissolution or abandonment of a corporate business, any officer

having control or supervision of sales tax funds collected, or who is charged with responsibility for the filing of returns or the payment of sales tax funds collected, shall be personally liable for any unpaid taxes, interest, administrative costs and penalties on those taxes if such officer willfully fails to pay or cause to be paid any taxes due from the corporation. In addition, regardless of willfulness, each director of the corporation shall be jointly and severally liable for unpaid amounts. The officer shall be liable only for taxes collected which became due during the period he or she had the control, supervision, responsibility or duty to act for the corporation. This section does not relieve the corporation of other tax liabilities or otherwise impair other tax collection remedies afforded by law.

- L. A remote seller or marketplace facilitator who terminates the business without the benefit of a purchaser, successor or assign shall make a final tax return and settlement of tax obligations within thirty (30) days after such termination. If a final return and settlement are not received within thirty (30) days of the termination, the remote seller or marketplace facilitator shall pay a penalty of one hundred dollars (\$100), plus an additional penalty of twenty-five dollars (\$25) for each additional thirty- (30-) day period, or part of such a period, during which the final return and settlement have not been made, for a maximum of six (6) additional periods.

XX.XX.200. – Use of Information on Tax Returns

- A. Except as otherwise provided in this chapter, all returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
 - 1. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 - 2. The person supplying such returns, reports and information; and
 - 3. Persons authorized in writing by the person supplying such returns, reports and information.
- B. The Commission will release information described in subsection A of this section pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise required by law to do so.
- C. Notwithstanding subsection A of this section, the following information is available for public inspection:
 - 1. The name and address of sellers;
 - 2. Whether a business is registered to collect taxes under this chapter;
 - 3. The name and address of businesses that are sixty (60) days or more delinquent in filing returns or in remitting sales tax, or both filing returns and remitting sales tax; and, if so delinquent, the amount of estimated sales tax due, and the number of returns not filed.
- D. The Commission may provide the public statistical information related to sales tax collections, provided that no information identifiable to a particular remote seller or marketplace facilitator is disclosed.
- E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or their duly authorized representative, of a copy of any return or report filed by them, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers, remote sellers, or marketplace facilitators, nor to prohibit the furnishing

of information on a reciprocal basis to other agencies or political subdivisions of the state or the United States concerned with the enforcement of tax laws.

- F. Nothing contained in this section shall be construed to prohibit the disclosure through enforcement action proceedings or by public inspection or publication of the name, estimated balance due, and current status of payments, and filings of any remote seller or marketplace facilitator or agent of any remote seller or marketplace facilitator required to collect sales taxes or file returns under this chapter, who fails to file any return and/or remit in full all sales taxes due within thirty (30) days after the required date for that business. Entry into any agreement whether pursuant to the provisions of this chapter or otherwise shall not act as any prohibition to disclosure of the records of that remote seller or marketplace facilitator as otherwise provided in this chapter.
- G. A prospective lessee or purchaser of any business or business interest may inquire as to the obligation or tax status of any business upon presenting to the Commission a release of tax information request signed by the authorized agent of the business.
- H. All returns referred to in this chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection.

XX.XX.210 – Violations

- A. A remote seller or marketplace facilitator that fails to file a sales tax return or remit sales tax when due, in addition to any other liability imposed by this Code, shall pay to the Commission all costs incurred by the Commission to determine the amount of the remote seller's or marketplace facilitator's liability or to collect the sales tax, including, without limitation, reviewing and auditing the remote seller's or marketplace facilitator's business records, collection agency fees, and actual reasonable attorney's fees.
- B. A person who causes or permits a corporation of which the person is an officer or director, a limited liability company of which the person is a member or manager, or a partnership of which the person is a partner, to fail to collect sales tax or to remit sales tax to the Commission as required by this Code shall be liable to the Commission for the amount that should have been collected or remitted, plus any applicable interest and penalty.
- C. Notwithstanding any other provision of law, and whether or not the Commission initiates an audit or other tax collection procedure, the Commission may bring a declaratory judgment action against a remote seller or marketplace facilitator believed to meet the criteria to establish that the obligation to remit sales tax is applicable and valid under local, state and federal law. The action shall be brought in the judicial district of the taxing jurisdiction.
- D. The Commission may cause a sales tax lien to be filed and recorded against all real and personal property of a remote seller or marketplace facilitator where the remote seller or marketplace facilitator has:
 - 1. Failed to file sales tax returns for two (2) consecutive filing periods as required by the Code; or
 - 2. Failed within sixty (60) days of the end of the filing period from which taxes were due to either (a) remit all amounts due or (b) to enter into a secured payment agreement as provided in this Code.
 - 3. Prior to filing a sales tax lien, the Commission shall cause a written notice of intent to file to be mailed to the last known address of the delinquent remote seller or marketplace facilitator.

- E. In addition to other remedies discussed in this Code, the Commission may bring a civil action to:
 - 1. Enjoin a violation of this Code. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.
 - 2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due.
 - 3. Foreclose a recorded sales tax lien as provided by law.
- F. All remedies hereunder are cumulative and are in addition to those existing at law or equity.

XX.XX.220 – Penalties for Violations

- A. A buyer, remote seller, or marketplace facilitator who knowingly or negligently submits false information in a document filed with the Commission pursuant to this Code is subject to a penalty of five hundred dollars (\$500).
- B. A remote seller or marketplace facilitator who knowingly or negligently falsifies or conceals information related to its business activities with the Commission or taxing jurisdiction is subject to a penalty of five hundred dollars (\$500).
- C. A person who knowingly or negligently provides false information when applying for a certificate of exemption is subject to a penalty of five hundred dollars (\$500).
- D. Any remote seller or marketplace facilitator who fails to file a return by the due date required under this chapter, regardless of whether any taxes were due for the reporting period for which the return was required, shall be subject to a penalty of twenty-five dollars (\$25) for the first sales tax return not timely filed. The filing of an incomplete return shall be treated as the filing of no return.
- E. A remote seller or marketplace facilitator who fails or refuses to produce requested records or to allow inspection of their books and records shall pay to the Commission a penalty equal to three (3) times any deficiency found or estimated by the Commission with a minimum penalty of five hundred dollars (\$500).
- F. A remote seller or marketplace facilitator who falsifies or misrepresents any record filed with the Commission is guilty of an infraction and subject to a penalty of five hundred dollars (\$500) per record.
- G. Misuse of an exemption card is a violation and subject to a penalty of fifty dollars (\$50) per incident of misuse;
- H. Nothing in this chapter shall be construed as preventing the Commission from filing and maintaining an action at law to recover any taxes, penalties, interest and/or fees due from a remote seller or marketplace facilitator. The Commission may also recover attorney's fees in any action against a delinquent remote seller or marketplace facilitator.

XX.XX.230. –Sellers with a physical presence in the taxing jurisdiction.

- A. Sellers with a physical presence in a Taxing Jurisdiction and no remote or internet-based sales shall report, remit, and comply with standards, including audit authority, of the Taxing Jurisdiction.
- B. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-based sales where the Point of Delivery is in a different Taxing Jurisdictions shall (i)

report and remit the remote or internet sales to the Commission; and ii) report and remit the in-store sales to the Taxing Jurisdiction.

- C. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-based sales where the Point of Delivery is in the same Taxing Jurisdictions shall report and remit those remote sales to the Taxing Jurisdiction.
- D. Sellers and marketplace facilitators that do not have a physical presence in a Taxing Jurisdiction must report and remit all remote sales to the Commission.
- E. For all purchases the tax rate added to the sale price shall be as provided in the Taxing Jurisdiction's sales tax code, based on point of delivery.
- F. A marketplace facilitator is considered the remote seller for each sale facilitated through its marketplace and shall collect, report, and remit sales tax to the Commission. A marketplace facilitator is not considered to be the remote seller for each sale or rental of lodging facilitated through its marketplace, wherein the seller is considered to have a physical presence in the Taxing Jurisdiction.

XX.XX.240. – Remittance of Tax; Remote Seller Held Harmless.

- A. Any remote seller or marketplace facilitator that collects and remits sales tax to the Commission as provided by law may use an electronic database of state addresses that is certified by the Commission pursuant to subsection (C) of this section to determine the jurisdictions to which tax is owed.
- B. Any remote seller or marketplace facilitator that uses the data contained in an electronic database certified by the Commission pursuant to subsection (C) of this section to determine the jurisdictions to which tax is owed shall be held harmless for any tax, charge, or fee liability to any taxing jurisdiction that otherwise would be due solely as a result of an error or omission in the database.
- C. Any electronic database provider may apply to the Commission to be certified for use by remote sellers or marketplace facilitators pursuant to this section. Such certification shall be valid for three years. In order to be certified, an electronic database provider shall have a database that satisfies the following criteria:
 - 1. The database shall designate each address in the state, including, to the extent practicable, any multiple postal address applicable to one location and the taxing jurisdictions that have the authority to impose a tax on purchases made by purchasers at each address in the state.
 - 2. The information contained in the electronic database shall be updated as necessary and maintained in an accurate condition. In order to keep the database accurate, the database provider shall provide a convenient method for taxing jurisdictions that may be affected by the use of the database to inform the provider of apparent errors in the database. The provider shall have a process in place to promptly correct any errors brought to the provider's attention.

XX.XX.250. – Definitions

Adoption of definitions does not compel an individual municipality to exempt certain defined items. Each municipality should specifically adopt definitions necessary for consistency to implement both brick-and-mortar sales tax code and provisions related to remote sellers or marketplace facilitators. For definitions that have no applicability to brick-and-mortar sales tax code, municipality may choose either to include definitions in the definitional section of general sales tax ordinance or adopt the common definitions by reference.

“Buyer or purchaser” means a person to whom a sale of property or product is made or to whom a service is furnished.

“Commission” means the Alaska Intergovernmental Remote Sales Tax Commission established by Agreement between local government taxing jurisdictions within Alaska, and delegated tax collection authority.

“Delivered electronically” means delivered to the purchaser by means other than tangible storage media.

“Entity-based exemption” means an exemption based on who purchases the product or who sells the product. An exemption that is available to all individuals shall not be considered an entity-based exemption.

“Goods for resale” means:

- A. the sale of goods by a manufacturer, wholesaler or distributor to a retail vendor; sales to a wholesale or retail dealer who deals in the property sold, for the purpose of resale by the dealer.
- B. Sales of personal property as raw material to a person engaged in manufacturing components for sale, where the property sold is consumed in the manufacturing process of, or becomes an ingredient or component part of, a product manufactured for sale by the manufacturer.
- C. Sale of personal property as construction material to a licensed building contractor where the property sold becomes part of the permanent structure.

“Marketplace facilitator” means a person that contracts with remote sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the remote seller’s property or services through a physical or electronic marketplace operated by the person, and engages:

- (a) Directly or indirectly, through one or more affiliated persons in any of the following:
 - (i) Transmitting or otherwise communicating the offer or acceptance between the buyer and remote seller;
 - (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and remote sellers together;
 - (iii) Providing a virtual currency that buyers are allowed or required to use to purchase products from the remote seller; or
 - (iv) Software development or research and development activities related to any of the activities described in (b) of this subsection (3), if such activities are directly related to a

physical or electronic marketplace operated by the person or an affiliated person; and

(b) In any of the following activities with respect to the seller's products:

- (i) Payment processing services;
- (ii) Fulfillment or storage services;
- (iii) Listing products for sale;
- (iv) Setting prices;
- (v) Branding sales as those of the marketplace facilitator;
- (vi) Order taking;
- (vii) Advertising or promotion; or
- (viii) Providing customer service or accepting or assisting with returns or exchanges.

“Member” means a taxing jurisdiction that is a signatory of the Alaska Remote Sales Tax Intergovernmental Agreement, thereby members of the Commission, and who have adopted the Remote Seller Sales Tax Code.

“Monthly” means occurring once per calendar month.

“Nonprofit organization” means a business that has been granted tax-exempt status by the Internal Revenue Service (IRS); means an association, corporation, or other organization where no part of the net earnings of the organization inures to the benefit of any member, shareholder, or other individual, as certified by registration with the IRS.

“Person” means an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation, or any other legal entity.

“Physical presence” means a seller who establishes any one or more of the following within a local taxing jurisdiction:

1. Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the local taxing jurisdiction;
2. Solicits business or receiving orders through any employee, agent, salesman, or other representative within the boundaries of the local taxing jurisdiction or engages in activities in this state that are significantly associated with the seller's ability to establish or maintain a market for its products in this state.
3. Provides services or holds inventory within the boundaries of the local taxing jurisdiction;
4. Rents or Leases property located within the boundaries of the local taxing jurisdiction.

A seller that establishes a physical presence within the local taxing jurisdiction in any calendar year will be deemed to have a physical presence within the local taxing jurisdiction for the following calendar year.

“Point of delivery” means the location at which property or a product is delivered or service rendered.

- A. When the product is not received or paid for by the purchaser at a business location of a remote seller in a Taxing Jurisdiction, the sale is considered delivered to the location where receipt by the purchaser (or the purchaser's recipient, designated as such by the

purchaser) occurs, including the location indicated by instructions for delivery as supplied by the purchaser (or recipient) and as known to the seller.

- B. When the product is received or paid for by a purchaser who is physically present at a business location of a Remote Seller in a Taxing Jurisdiction the sale is considered to have been made in the Taxing Jurisdiction where the purchaser is present even if delivery of the product takes place in another Taxing Jurisdiction. Such sales are reported and tax remitted directly to the Taxing Jurisdiction not to the Commission.
- C. For products transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery the sale to the billing address of the buyer.

“Product-based exemptions” means an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product.

“Property” and **“product”** means both tangible property, an item that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses; and intangible property, anything that is not physical in nature (i.e.; intellectual property, brand recognition, goodwill, trade, copyright and patents).

“Quarter” means trimonthly periods of a calendar year; January-March, April-June, July-September, and October-December.

“Receive or receipt” means

- A. Taking possession of property;
- B. Making first use of services;
- C. Taking possession or making first use of digital goods, whichever comes first.

The terms “receive” and “receipt” do not include temporary possession by a shipping company on behalf of the purchaser.

“Remote sales” means sales of goods or services by a remote seller or marketplace facilitator.

“Remote seller” means a seller or marketplace facilitator making sales of goods or services delivered within the State of Alaska, without having a physical presence in a taxing jurisdiction, or conducting business between taxing jurisdictions, when sales are made by internet, mail order, phone or other remote means. A marketplace facilitator shall be considered the remote seller for each sale facilitated through its marketplace.

“Resale of services” means sales of intermediate services to a business the charge for which will be passed directly by that business to a specific buyer.

“Sale” or “retail sale” means any transfer of property for consideration for any purpose other than for resale.

“Sales or purchase price” means the total amount of consideration, including cash, credit,

property, products, and services, for which property, products, or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- A. The seller’s cost of the property or product sold;
- B. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- C. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- D. Delivery charges;
- E. Installation charges; and
- F. Credit for any trade-in, as determined by state law.

“**Seller**” means a person making sales of property, products, or services, or a marketplace facilitator facilitating sales on behalf of a seller.

“**Services**” means all services of every manner and description, which are performed or furnished for compensation, and delivered electronically or otherwise outside the taxing jurisdiction (but excluding any that are rendered physically within the taxing jurisdiction, including but not limited to:

- A. Professional services;
- B. Services in which a sale of property or product may be involved, including property or products made to order;
- C. Utilities and utility services not constituting a sale of property or products, including but not limited to sewer, water, solid waste collection or disposal, electrical, telephone services and repair, natural gas, cable or satellite television, and Internet services;
- D. The sale of transportation services;
- E. Services rendered for compensation by any person who furnishes any such services in the course of his trade, business, or occupation, including all services rendered for commission;
- F. Advertising, maintenance, recreation, amusement, and craftsman services.

“**Tax cap**” means a maximum taxable transaction.

“**Taxing jurisdiction**” means a local government in Alaska that has a sales tax and is a member of the Alaska Remote Sellers Sales Tax Commission.

“**Transferred electronically**” means obtained by the purchaser by means other than tangible storage media.

XX.XX.260. – Supplemental Definitions.

The Commission shall promulgate Supplemental Definitions that are incorporated into this Remote Seller Sales Tax Code. Supplemental Definitions are available at www.arsstc.org. Provisions of the Supplemental Definitions that are amended, deleted, or added prior to or after

the effective date of the latest amendment to this chapter shall be applicable for purposes of this chapter on the effective date provided for such amendments, deletions, or additions, including retroactive provisions.

XX.XX.260. – Supplemental Definitions.

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ALASKA REMOTE SELLER SALES TAX CODE
SUPPLEMENTAL DEFINITIONS

“Advertising” means services rendered to promote a product, service, idea, concept, issue, or the image of a person, including services rendered to design and produce advertising materials prior to the acceptance of the advertising materials for reproduction or publication, including research; design; layout; preliminary and final art preparation; creative consultation, coordination, direction, and supervision; script and copywriting; editing; and account management services.

“Aircraft charter service” means an air carrier operation that requires the customer to hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled trip.

“Alcoholic beverages” means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume.

“Arts and crafts” mean articles produced individually by artistic or craft skill such as painting, sculpture, pottery, jewelry or similar articles.

“ATV” or “off-highway vehicle” means a vehicle designed or adapted for cross-country operation over unimproved terrain, ice or snow, and which has been declared by its owner at the time of registration and determined by the department to be unsuitable for general highway use, although the vehicle may make incidental use of a highway as provided in this title; it does not include implements of husbandry and special mobile equipment.

“Authentic Native artwork” means any product which is Alaska Native handcrafted and is not made by machine. “Alaska Native handcrafted” means the skillful and expert use of the hands in making products solely by Alaska Natives within the United States, including the use of findings, hand tools and equipment for buffing, polishing, grinding, drilling or sewing. “Made by machine” means the producing or reproducing of a product in mass production by mechanically stamping, casting, blanking or weaving.

“Bank services” or “financial services” means deposit account services, loan transaction fees, transactions relating to the sale or exchange of currency or securities, transactions for conversion of negotiable instruments, safe deposit services, escrow collection services, late fees, overdraft fees, and interest charged on past due accounts.

“Boat” means a vessel used or capable of being used as a means of transportation on the water.

“Child care” means a regular service of care and education provided for compensation for any part of a day less than 24 hours to a child or children under 16 years of age whose parents work outside the home, attend an educational program or are otherwise unable to care for their children.

“Church” means a fellowship of believers, congregation, society, corporation, convention, or association that is formed primarily or exclusively for religious purposes and that is not formed for the private profit of any person.

“Clothing and related products” means all human wearing apparel suitable for general use. Clothing includes: aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; children and adult diapers, including disposable; ear muffs; footlets; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoe laces; slippers; sneakers; socks and stockings; steel-toed boots; underwear; uniforms, athletic and nonathletic; and wedding apparel.

“Commercial airline tickets” means any card, pass, certificate, or paper, electronic or otherwise, providing or intending to provide for the carriage or transportation of any person or persons upon any airline.

“Common carrier” means an individual or a company, which is in the regular business of transporting freight for hire. This is distinguished from a private carrier which transports its own goods and equipment and makes deliveries of goods sold to its customers.

“Construction materials” means an item of tangible personal property that is used to construct or renovate a building, a structure, or an improvement on land and that typically loses its separate identity as personal property once incorporated into the real property. “Construction material” includes building materials, building systems equipment, landscaping materials, and supplies.

“Construction services” means all labor and services provided in connection with the construction, alteration, repair, demolition, reconstruction, or other improvements to real property.

“Crop production” means purchases of seed, plants, fertilizer, pesticides, fungicides, and other tangible personal property and agricultural machinery, tools, and equipment to be directly used in the production of food or commodities that are sold either for human consumption or for further food or commodity production. The phrase “directly used” means that the property must be integral and essential to the crop production process.

“Disabled veteran” means a disabled person:

- A. separated from the military service of the United States under a condition that is not

dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the United States Department of Veterans Affairs; or

- B. who served in the Alaska Territorial Guard, who is a resident of the state, whose disability was incurred or aggravated in the line of duty while serving in the Alaska Territorial Guard, and whose disability has been rated as 50 percent or more.

“Drug” means a compound, substance or preparation, and any component of a compound, substance or preparation, other than “food and food ingredients,” “dietary supplements” or “alcoholic beverages:”

- A. Recognized in the official United State Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them; or
- B. B. Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or
- C. C. Intended to affect the structure or any function of the body.

“Drugs for animal use” means:

- A. a drug for animal use recognized in the official United States Pharmacopoeia or National Formulary of the United States;
- B. a drug intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals;
- C. a drug, other than feed, medicated feed, or a growth promoting implant intended to affect the structure or function of the body of an animal; or
- D. a drug intended for use as a component of a drug in clause A., B., or C.

“Dues, Membership and Subscription” means monies paid for the purpose of membership, or qualifying or becoming eligible for goods or services, or discounts to goods or services.

“Durable medical equipment” means equipment including repair and replacement parts for same, but does not include “mobility enhancing equipment,” which:

- A. Can withstand repeated use; and
- B. Is primarily and customarily used to serve a medical purpose; and
- C. Generally is not useful to a person in the absence of illness or injury; and
- D. Is not worn in or on the body.

“Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

“Farming supplies” means animal food, seed, plants, fertilizers and other consumables used in an agriculture or mariculture business that sells its harvested grains, produce, meats, animal products or other farm production.

“Food” means any food or food product for home consumption except alcoholic beverages, tobacco, and prepared food. Food or food products includes property, whether in liquid,

concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value.

“Food stamps” means obligations of the United States government issued or transferred by means of food coupons or food stamps to enable the purchase of food for the eligible household.

“Funeral fees” means those services normally performed and merchandise normally provided by funeral establishments, including the sale of burial supplies and equipment, but excluding the sale by a cemetery of lands or interests therein, services incidental thereto, markers, memorials, monuments, equipment, crypts, niches, or vaults.

“Gaming” means any game defined in AS 05.15.690, as amended or renumbered.

“Gasoline, heating fuels and other consumable fuels” means refined petroleum and petroleum-based products used for internal combustion engines and as the primary source for residential heating or domestic hot water. This may also include other types of fossil fuels as well as fuel sources that are renewable.

“Government” means the federal government and any agency or instrumentality thereof; any State and any agency or instrumentality thereof; any local government within a State, and any unit, agency, or instrumentality of such local government; any tribal government; any other governmental instrumentality.

“Handling,” “crating,” or “packing” means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser including, but not limited to, transportation, shipping, postage, handling, crating, and packing.”

“Insurance” means a contract whereby one undertakes to indemnify another or pay or provide a specified or determinable amount or benefit upon determinable contingencies.

“Internet service” means a service that enables users to access proprietary and other content, information electronic mail, and the Internet as part of a package of services sold to end-user subscribers.

“Loan” means an extension of credit resulting from direct or indirect negotiations between a lender and a debtor.

“Lobbying” means the practice of promoting or opposing the introduction or enactment of legislation before the legislature or legislators and the practice of promoting or opposing official action of any public official or the legislature.

“Long-term vehicle lease” means a lease of a motor vehicle, as defined in this Section, for a period of 24 months or longer.

“Manufacturing components” means sales of personal property as raw material to a person engaged in manufacturing for sale, where the property sold is consumed in the manufacturing

process of or becomes an ingredient or component part of a product manufactured for sale by the manufacturer.

“Marijuana accessories” means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana into the human body;

“Medical equipment and supplies, and prescriptions” means all medicines, medical goods or equipment prescribed by a health care provider licensed to practice in Alaska or any other state in the United States.

“Medical services” means those professional services rendered by persons duly licensed under the laws of this state to practice medicine, surgery, chiropractic, podiatry, dentistry, and other professional services rendered by a licensed midwife, certified registered nurse practitioners, and psychiatric and mental health nurse clinical specialists, and appliances, drugs, medicines, supplies, and nursing care necessary in connection with the services, or the expense indemnity for the services, appliances, drugs, medicines, supplies, and care, as may be specified in any nonprofit medical service plan. “Medical services” include hospital services.

“Mobility enhancing equipment” means equipment including repair and replacement parts to same, but does not include “durable medical equipment,” which:

- A. Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; and
- B. Is not generally used by persons with normal mobility; and
- C. Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

“Motor vehicle” means a motor vehicle, as defined in AS 28.90.990(17), that is either required to be registered under AS 28.10.011, or is exempted from registration under AS 28.10.011(6) and (11). However, “motor vehicle” does not include either an “off-highway vehicle” as defined in 13 AAC 40.010(a)(30) or a “snowmobile” as defined in 13 AAC 40.010(a)(49). “Motor vehicle” includes parts for a motor vehicle.

“Newspaper” means a publication of general circulation bearing a title, issued regularly at stated intervals at a minimum of not more than two weeks, and formed of printed paper sheets without substantial binding. It must be of general interest, containing information of current events. The word does not include publications devoted solely to a specialized field. It shall include school newspapers, regardless of the frequency of the publication, where such newspapers are distributed regularly to a paid subscription list.

“Nonprofit organization” means a business that has been granted tax-exempt status by the Internal Revenue Service (IRS); means an association, corporation, or other organization where no part of the net earnings of the organization inures to the benefit of any member, shareholder, or other individual, as certified by registration with the IRS.

“Over the counter drug” means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The “over-the-counter-drug” label includes:

- A. A “Drug Facts” panel; or
- B. A statement of the “active ingredient(s)” with a list of those ingredients contained in the compound, substance or preparation.

“Periodical” means any bound publication other than a newspaper that appears at stated intervals, each issue of which contains news or information of general interest to the public, or to some particular organization or group of persons. Each issue must bear a relationship to prior or subsequent issues with respect to continuity of literary character or similarity of subject matter, and sufficiently similar in style and format to make it evident that it is one of a series.

“Precious gems and metals” means any mineral, including but not limited to gold, silver, platinum and palladium, and any gem that is valued for its character, rarity, beauty or quality, including diamonds, rubies, emeralds, sapphire, opals, pearls or any other such precious gems or stones that has been put through a process of refining and is in such a state or condition that its value depends upon its precious metal content (such as an ingot or bar) and not its form (such as jewelry or artwork).

“Prepared food” means:

- A. Food sold in a heated state or heated by the seller;
- B. Two or more food ingredients mixed or combined by the seller for sale as a single item; or
- C. Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food.

“Prepared food” in Subsection B. does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in Chapter 3, Part 401.11 of its Food Code so as to prevent food borne illnesses.

“Prewritten computer software” means “computer software,” including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more “prewritten computer software” programs or prewritten portions thereof does not cause the combination to be other than “prewritten computer software.” “Prewritten computer software” includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the specific purchaser. Where a person modifies or enhances “computer software” of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person’s modifications or enhancements. “Prewritten computer software” or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains “prewritten computer software;” provided, however, that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute “prewritten

computer software.”

“Printing services” means those activities relating to the work of the printing, publishing or graphic arts industries and shall include any mechanical process whereby ink is transferred to paper or other materials.

“Professional services” means services performed by architects, attorneys-at-law, certified public accountants, dentists, engineers, land surveyors, surgeons, veterinarians, and practitioners of the healing arts (the arts and sciences dealing with the prevention, diagnosis, treatment and cure or alleviation of human physical or mental ailments, conditions, diseases, pain or infirmities) and such occupations that require a professional license under Alaska Statute.

“Prosthetic Device” means replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to:

- A. Artificially replace a missing portion of the body;
- B. Prevent or correct physical deformity or malfunction; or
- C. Support a weak or deformed portion of the body.

“Raw Seafood” means uncooked marine and estuarine fauna or flora used as food or of a kind suitable for food and specifically includes, but is not limited to, shrimp taken for bait.

“Retail car rental” means renting a rental car to a consumer. “Rental car” means a passenger car, that is used solely by a rental car business for rental to others, without a driver provided by the rental car business, for periods of not more than thirty consecutive days. “Rental car” does not include:

- A. Vehicles rented or loaned to customers by automotive repair businesses while the customer's vehicle is under repair;
- B. Vehicles licensed and operated as taxicabs.

“Sales-Type Lease” means at lease commencement, (1) the lease transfers ownership of the underlying property, goods, or services to the lessee by the end of the lease term; (2) the lease grants the lessee an option to purchase the underlying property, goods, or services that the lessee is reasonably certain to exercise; (3) the lease term is for the major part of the remaining economic life of the underlying property, goods, or services. However, if the commencement date falls at or near the end of the economic life of the underlying property, goods, or services, this criterion shall not be used for purposes of classifying the lease; (4) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying property, goods, or services; (5) the underlying property, goods, or services is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

“School materials” means items commonly used by a student in a course of study. “School materials” includes the following items: binders; book bags; calculators; cellophane tape; blackboard chalk; compasses; composition books; crayons; erasers; folders, expandable, pocket, plastic, and manila; glue, paste, and paste sticks; highlighters; index cards; index card boxes;

legal pads; lunch boxes; markers; notebooks; paper, loose-leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper; pencil boxes and other school supply boxes; pencil sharpeners; pencils; pens; protractors; rulers; scissors; and writing tablets. “School materials” does not include any item purchased for use in a trade or business.

“**School meals**” includes breakfasts, lunches, or the serving of foods or beverages, or both, or any combination thereof, served by a school cafeteria or a school lunchroom.

“**School transportation**” means transportation of students to and from schools in motor or other vehicles.

“**Seller**” means: a person making sales of property, products or services, or a marketplace facilitator acting on behalf of a seller

“**Senior citizen**” means any individual defined by a taxing jurisdiction as qualifying for an age-based exemption from sales tax.

“**Smoked fish**” means a freshwater or saltwater finfish that is prepared by treating it with salt (sodium chloride) and subjecting it to the direct action of the smoke from burning wood, wood sawdust, or similar burning material or from liquid smoke flavoring applied to the surface in a gaseous, liquid, or vaporized state with or without heat.

“**Snowmobile**” means a motor vehicle designed to travel over ice or snow, and supported in part by skis, belts, cleats, or low-pressure tires.

“**Software downloads**” means software, applications, services and other digital programming for computers, tablets, smartphones and other electronic devices. This includes online subscriptions or purchases of news services, publications, audio books and other similar electronic versions of printed materials.

“**Software maintenance contracts**” means a contract that obligates a vendor of computer software to provide a customer with future updates or upgrades to computer software, support services with respect to computer software or both. A “mandatory computer software maintenance contract” is a computer software maintenance contract that the customer is obligated by contract to purchase as a condition to the retail sale of computer software. An “optional computer maintenance contract” is a computer software maintenance contract that a customer is not obligated to purchase as a condition to the retail sale of computer software.

“**Specified digital products**” means electronically transferred:

- (1) digital audio works;
- (2) digital audiovisual works; or
- (3) digital books.

“**Streaming services**” means digital content provided online for on-demand consumption rather than downloadable consumption. This typically includes, but is not limited to, video and audio

files.

“Tax free days” means a duration of time in which persons who purchase goods or services are exempt from the Sales tax of the taxing jurisdiction.

“Telephone service” means the providing by any person of access to a telephone network, telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system.

“Ticket admission” means the paid right or privilege to enter into or use a place or location.

“Title insurance premium” means and includes premium, examination fees, settlement fees, closing fees, and every other charge, whether denominated premium or otherwise, made by a title insurance company, agent of a title insurance company or an approved attorney of a title insurance company, or any of them, to an insured or to an applicant for insurance, for any policy or contract for the issuance of, or an application for any class or kind of, title insurance.

“Tobacco” means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.

“Transportation services” means the transportation of individuals for hire.

“Travel agency” means a person or organization who represents, directly or indirectly, that the person or organization is offering or undertaking by any means or method, to provide travel services for a fee, commission, or other valuable consideration, direct or indirect.



ALASKA
MUNICIPAL
LEAGUE

Online Sales Tax

A Win-Win for Local
Governments and Businesses

Background

Impacts of a Supreme Court Case

- *Wayfair vs South Dakota* removed the requirement of physical “nexus” and opened up the opportunity for sales tax collection – of current sales taxes – on online sales
- The Supreme Court gave broad guidelines for how that should occur, namely that collection should not create a burden on inter-state commerce
- The Court further suggested that streamlined, statewide, single-level administration, with a clearly defined economic nexus, would meet this test
- States have been updating their sales tax codes across the nation, taking into account economic nexus, the role of a marketplace facilitator, and a system of collection



Background

Implications for Alaska

- Alaska is the only state in the nation that doesn't have a statewide sales tax but gives local governments the ability to collect
- AML has spent the last year researching this issue and developing a well-vetted and reasonable path forward
 - 17 local governments contributed funding and the time of their staff toward this effort, which represents strong collaboration
- Local governments in Alaska have both taxing authority and the ability to enter into intergovernmental agreement under the State Constitution
- Together, there has been consensus to work together to follow the Supreme Court decision



Working Together

June 6th in-person meeting

- More than 40 managers, attorneys and finance officers met to discuss how to proceed, agreeing to economic nexus and centralized administration

Drafting Committee

- Comprised of sales tax administrators, finance officers and attorneys, this group met weekly to discuss and finalize common definitions

Governance Committee

- Comprised of managers, attorneys and finance officers, this group met regularly and developed an intergovernmental agreement, draft bylaws and draft remote sales tax code



Working Together – Thanks!

Drafting and Governance Committee Participation

- Kenai Peninsula Borough
- City and Borough of Juneau
- Ketchikan Gateway Borough
- City of Palmer
- City of Wasilla
- City of Nome
- City of Palmer
- City and Borough of Wrangell
- City of Kodiak
- City of Sand Point
- City of Kotzebue
- City of Soldotna
- City of Unalaska
- City of Adak
- Landye Bennett Blumstein LLP
- Boyd, Chandler, Falconer LLP



Governance

**Intergovernmental
Agreement**

Bylaws

**Remote Seller
Sales Tax Code**



Online Sales Tax Collection

Intergovernmental Agreement

Establishes a Commission

Agrees to:

- Designate a representative to the Commission
- Adopt the online sales tax code; delegation of tax collection
- Economic nexus
- AML administration



Online Sales Tax Collection

Governing documents of
Commission

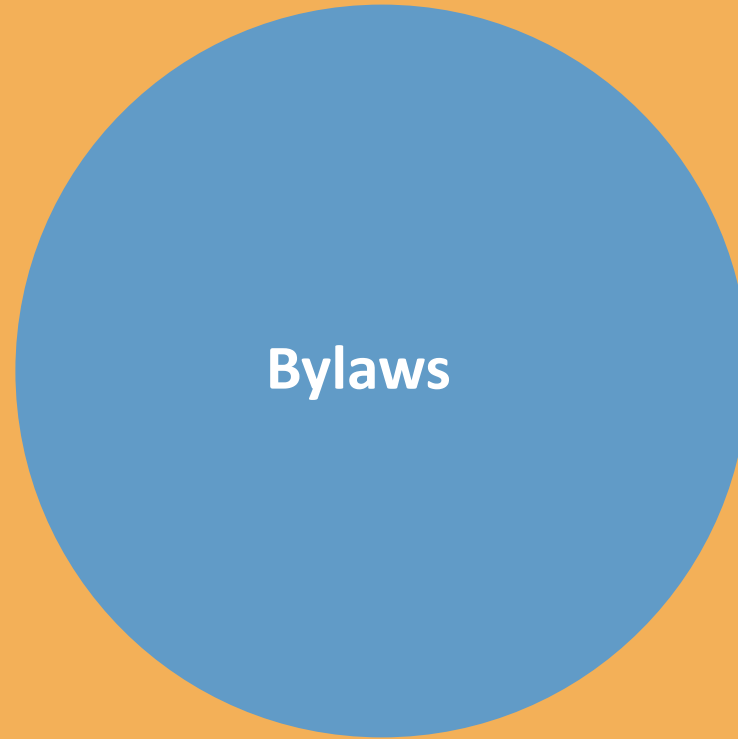
Membership and meetings

Board of directors, elections

Oversight of collection and
remittance

Budget

Policies and procedures



To be approved by members
at first meeting



Online Sales Tax Collection

Implements the ability for collection of online sales tax, based on point of delivery, applicable to local governments that have signed the Agreement and passed the Code

Individual tax rates and exemptions

Common definitions

Centralized administration:

- Collection and Remittance
- Address software
- Audit and compliance
- Vendor registration
- Filing deadlines and penalties

Remote Seller
Sales Tax Code



Centralized Administration

Standard software

- AML has contracted with a software development company to collect, remit and manage online sales tax – vetted to be the most affordable and effective option for members
 - Software fees as a % of overall revenue collected

AML to provide staff support

- Software management, remittance and reporting, compliance
- Board and member support and communications
- AML fees based on direct costs to implement

Role of Members

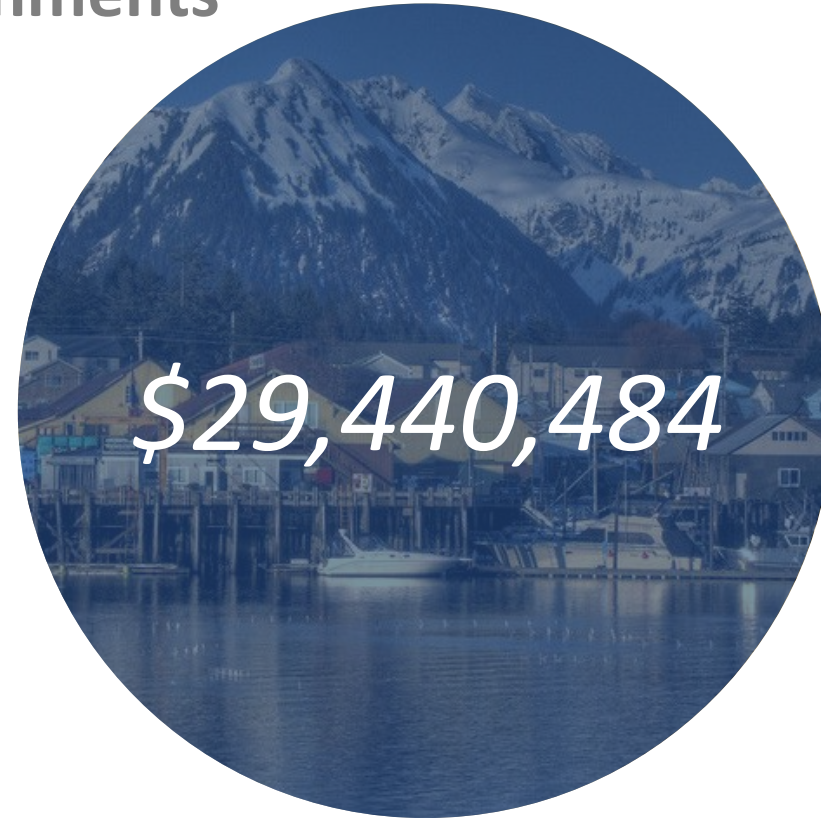
- Ensure updates to tax rates and codes, exemptions
- Review monthly or quarterly filings for accuracy
- Work with AML on compliance and audit



Ensuring Success

Why this makes sense for local governments

- Maintain taxing authority
- Maintain rate and exemptions
- Delegated administration to AML saves \$
- Opt-in = you take advantage of Wayfair
- Opt-out = residents don't pay sales tax
- Levels the playing field for local business
- Increased revenue for education, public safety, roads and public works
- Increases ability to respond to State cost-shifting



Ensuring Success

Why this makes sense for Alaska

- Levels the playing field – increases local purchase potential
- These aren't new taxes
- Keeps tax rates stable
- Protects residents outside boundaries
- Maintains current local exemptions
- Local revenues improve communities
- On par with other states
- Strengthens local governments
- Local taxpayers, local budgets



Next Steps

Pass the Draft Resolution, committing to Agreement

Participate in Commission meetings; approve Bylaws and Remote Seller Sales Tax Code

Bring the Code to your Council/Assembly

Send AML your current rate, exemptions and boundaries

Expect collection to begin within 30 days



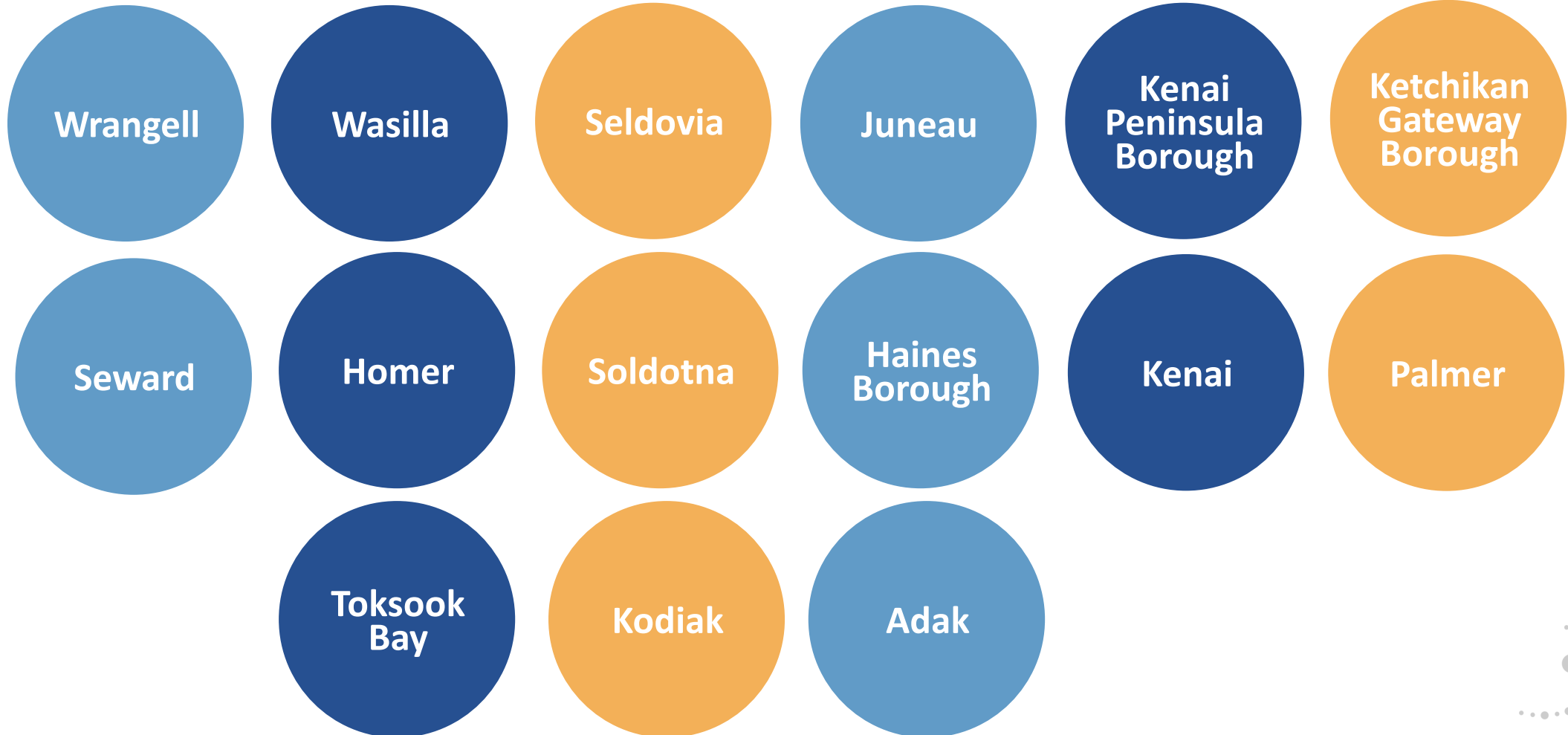


ALASKA
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Online Sales Tax

A Win-Win for Local
Governments and Businesses

Celebrating Signatories



Benefits to Local Governments

- Maintain taxing authority
- Maintain rate and exemptions
- Delegated administration to AML avoids additional or duplicative costs
- Entirely up to local government
 - Opt-in = you take advantage of Wayfair
 - Opt-out = residents don't pay sales tax
- Levels the playing field for local business – increases local economic activity
- Increased revenue for education, public safety, roads and public works
- Increases ability to respond to State cost-shifting or cuts
- Replaces revenue eroded with decrease to Community Assistance over the years

Benefits to Business

- Levels the playing field – increases local purchase potential by ensuring that local retailers aren't penalized for collecting a tax they are required to, while remote retailers have an unfair advantage in not
- These aren't new taxes – these are taxes that local residents are already paying, collected by local businesses, but not collected by remote retailers
- Keeps tax rates stable – instead of increasing taxes, applying the existing tax to remote sellers ensures that local tax rates stay stable
- Maintains current local exemptions – necessary for local control
- Local revenues improve communities – enables greater investment in local infrastructure, which supports economic activity
- On par with other states – businesses across the U.S. are complying, so Alaska is expecting similar compliance by those businesses that make sales into or within Alaska
 - This is very quickly become common practice
- Strengthens local governments – greater capacity within local governments leads to greater efficiencies
- Local taxpayers, local budgets – residents help shape annual budgets, informed by economic development

Benefits to Alaskans

- Protects residents outside boundaries – right now Alaska hasn't set up any rules of the road when it comes to remote commerce, and without a tax look up map Alaska residents may be getting taxed where they aren't supposed to
- Consistent with activities in majority of U.S. – this puts Alaska on track with the activities of other states that are benefiting from this opportunity.
- Simplifies exemptions – single point of entry and delivery for exemption certificates

Intergovernmental Agreement

- Commits the local government to participate in the Commission
- Agrees to delegate to the Commission collection of remote sales tax
- Agrees to AML administration
- Action – pass a resolution authorizing signature to the Agreement

Alaska Remote Seller Sales Tax Commission

- Local government appoints a representative
- Annual meeting and notice of all meetings
- Governed by Bylaws
- Board of seven
 - Oversees administration
 - Approves annual budget
 - Development of the Remote Sales Tax Code

Alaska Remote Seller Sales Tax Code

- Applies the local jurisdiction’s tax rate, cap and exemptions to remote sales
 - Out of state sales – if the retailer does not have a physical presence in Alaska, they are expected to comply. The Commission anticipates that this applies to between 2,500 and 3,500 retailers.
 - In-state sales – if the retailer sells into your community, collection of sales tax is expected
- Standardizes compliance – reporting, penalties, audits, late filing rules, etc.
- Criteria Threshold (otherwise known as economic nexus)
 - \$100,000 in statewide, annual gross sales; and/or
 - 200 transactions annually, in Alaska
- Hold Harmless provision
 - All retailers who use the Commission’s software aren’t liable for inaccurate information contained therein
- Remote vs. Physical
 - If the retailer has only a physical presence, remit to the local government
 - If the retailer has a physical presence but also remote sales, continue remitting local taxes to the local government and remote taxes to the Commission
 - If the retailer is a marketplace facilitator, remit to the Commission
 - If the retailer is a marketplace facilitator that provides services (i.e., lodging), remit to the local government
- Late filings
 - Late filing fee is paid to the Commission for administrative action
 - Interest owed on taxes collected accrues to the local government
 - Penalty of 5% a month accrues to the local government
- Common definitions

When does this take effect?

- The Commission has developed software that will be ready as of January 31, 2020. Upon adoption of the Remote Sales Tax Code by a local government, retailers will be notified that they should begin collection, and have 30 days to comply. As additional local governments adopt the Code, compliance will occur on a rolling basis. Assuming that the first local government adopts the Code in late January, early February, the Commission expects reporting and remittance as soon as March/April.

What about:

- Seasonal tax rate – the software will include reference applicable rate changes throughout the year, as long as there is 30 days’ notice. You will need to notify the Commission of seasonal tax rates, and the Commission will need the exact dates on an annual basis. Any tax holiday that occurs throughout the year should be noticed appropriately.
- All of our product exemptions – the Commission has established a tax variability matrix that tracks all product exemptions from all taxing jurisdictions. The exemption happens automatically within the API adopted by remote retailers or accessed via the website provided by the Commission. The Commission has adopted a common set of definitions that will assist in compliance.
- Entity-based exemptions
 - Apply to:
 - Senior exemptions – based on each local government’s definition of “senior”, when they apply. If applicable only to certain sales, the software will accommodate that variation.
 - Goods for wholesale - – these entities should be using their State of Alaska wholesale license in their purchase, which vendors they purchase from should recognize and apply tax-free status. Wholesale purchases will count toward establishing the criteria threshold for vendors selling into the state, even though taxes will not be collected. Sales and value of exemption will be reportable.
 - Churches, nonprofits, and governments - Churches, nonprofits, and governments – these are recognized entities that are tax-free, and vendors are expected to comply with federal law on tax-free sales to these entities. Sales and value of exemption will be reportable.
 - Process:
 - Development of an Exemption Certificate Registry (ECR)
 - ECR is an online system that buyers can access from any internet browser. ECR provides buyers with tools to find, create, and store exemption certificates for future use. An exemption certificate created through ECR can be reused from vendor to vendor.
 - Once a buyer’s exemption certificates are set up in ECR, these certificates can be provided to vendors in various ways. From ECR, certificates can be emailed, downloaded, uploaded, printed, or even sent directly to vendors’ exemption certificate management systems.
 - Vendors are still responsible for storing exemption certificates received through ECR.
 - Buyer’s responsibility - It will be up to the buyer to upload their information, including locally produced certificate, if any, into their account on the ECR. Within the ECR, the buyer will direct that information to vendors. The buyer will go through the retailer’s established process to set up an individual tax exemption within their account, including to download from the ECR the correct documentation for that retailer.

- Any inaccurate sales tax collection should be taken up first with the vendor, then brought to the Commission's attention in case of a refund being necessary.
- Monthly filing – the default filing is monthly, consistent with national trends and best practice. Vendors will have the option to file quarterly but this must be approved by the Commission.
- Quarterly filing – notify the Commission if you would like reporting and remittance to occur on a quarterly basis. The Commission will hold any remittance occurring more frequently in trust for that distribution.
- Deliveries to post office boxes within our jurisdiction – these will be treated as taxable, based on the point of delivery
- Deliveries to addresses right outside our jurisdiction – the Commission has GIS-located all addresses in Alaska, such that these types of deliveries should not be taxable, and that all taxed sales are accurate. The software contractor has verified that boundary maps with the State DCRA, and each local government should notify the Commission upon adopting the Code of any discrepancies.

Changes to current code:

- Necessary - Exemption for remote sales will need to be removed, if applicable
- Optional – update your reporting requirements, definitions, etc. based on the remote sales tax code

What happens when the local government adopts the Code?

- Local government notifies the Commission by contacting Nils Andreassen at nils@akml.org
- The Program Manager will follow up, requesting that you complete a simple form that confirms rates, exemptions, sales tax boundaries, any changes to existing code, remittance preference, etc.
- The Program Manager will ask the local government to confirm all the settings in the software as accurate
- Upon receipt of the registration form, and confirmation that settings are correct, the Commission will notify remote sellers that they will need to comply within 30 days
- The Commission will send the local government representative log-in information for the Alaska Sales Tax Portal, where they can see all returns, and the calculations that go into remittance
- On a monthly or quarterly basis, and within 10 days of the last day of the month, the Commission will remit collected taxes to the local government
- The local government will confirm receipt and accuracy of the filing and remittance
- The local government should review filings, flag any they have questions about, and send the Program Manager questioned filings
- The Program Manager will review questioned filings and upon receipt of more than three of the same vendor, request an audit of their transactions for the applicable jurisdictions
- Amended filings, or refunds necessary, will be accounted for on a rolling basis

The Uniform Code is administrative in substance and tone. It does not set sales tax rates, exemptions, or any other policy element of a local government's current sales tax code or practice. What follows is a high-level summary of the various sections of the Uniform Code:

XX.XX.010 – Interpretation	Taxability broadly construed
XX.XX.020 – Title to Collected Sales Tax	Tax receipts property of the Commission/Member
XX.XX.030 – Imposition – Rate	Remote sellers must impose sales tax
XX.XX.040 – Obligation to Collect Tax	Threshold for collection is \$100,000 or 200 transactions
XX.XX.050 – No Retroactive Application	No retroactivity
XX.XX.060 – Payment and Collection	Seller must collect taxes and hold in trust
XX.XX.070 – Registration Requirement	Timing for registration if collection thresholds are met
XX.XX.080 – Tax Filing Schedule	Monthly or quarterly return filing
XX.XX.090 – Estimated Tax	Estimated tax may be assessed on non-filers
XX.XX.100 – Returns – Filing Contents	Returns include gross, nontaxable, and taxable amounts
XX.XX.110 – Refunds	Commission may issue refunds
XX.XX.120 – Amended Returns	Sellers may file amended returns
XX.XX.130 – Extension for Return	Commission may allow extensions
XX.XX.140 – Audits	Sellers subject to audit by the Commission
XX.XX.150 – Audit protest	Sellers may protest to the Commission
XX.XX.160 – Penalties/Interest for Late Filing	Sets penalties and interest for late filing
XX.XX.170 – Repayment Plans	Commission may allow payment plans
XX.XX.180 – Record Retention	Sellers must keep records for six years
XX.XX.190 – Cessation/Transfer of Business	Terms for business cessation/transfer
XX.XX.200 – Use of Information	Confidentiality of tax return information
XX.XX.210 – Violations	Terms for violations of this code
XX.XX.220 – Penalties for Violations	Penalties for violations (ranging from \$25 to \$500)
XX.XX.230 – Physical presence	Delineates how sellers file (locally or with Commission)
XX.XX.240 – Hold Harmless	Sellers protected for misfiling due to Commission errors
XX.XX.250 – Definitions	Common definitions
XX.XX.260 – Supplemental Definitions	Definitions that apply to exemptions used by members

If you are not yet a signatory to the Intergovernmental Agreement, this is simply done by resolution, a model of which is on our website at <https://www.akml.org/member-services/online-sales-tax/>.

Upon becoming a signatory, and for those who have already taken this step, the Agreement then sets out these terms, “Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators.”

The Commission recommends, then, that you take the following set of steps:

- Review the uniform Remote Seller Sales Tax Code and Supplemental Definitions
- Review your own Code as it applies to Sales Tax
- If your Code currently exempts the collection of sales tax on remote sales, then you must remove that exemption

- In comparing your Code with the uniform Code, consider the extent to which you are able to align the two. The Commission strongly recommends aligning the two codes on:
 - Definitions
 - For the Code’s definitions, the greater alignment the better, but the Commission respects the individual integrity of each local government’s authority
 - For supplemental definitions, you only need to align the definitions that apply to your current exemptions
 - Penalties and fees – these are generally consistent with best practice and State Statutes
 - Timing of compliance – these are generally consistent with best practice and State Statutes
- Contact the Commission with any significant deviation between the two, or to present an argument for parity
 - Parity within the Codes should 1) reduce the burden on remote sales tax collection, and 2) seek to avoid discriminating against remote sellers
- Adopt the uniform Remote Seller Sales Tax Code, alongside any revisions to the rest of your Code that you are able
- Where there are sections of your local sales tax Code that remain unaligned, the Commission will work with you to develop a work plan toward alignment. Essentially, the Commission may allow a grace period of one year in which the local government and Commission may come to agreement on significant differences.
 - This action may result in changes to the uniform Code, which will see updates in any event as the Commission identifies needs
 - This action should also result in a negotiation that address any local concerns of changes at that level
- This process is not dissimilar from the SSUTA, wherein many states have yet to adopt all of the provisions therein
- The Commission is committed to working with local governments to see successful implementation of local sales tax collection on remote sales while preserving to the greatest extent possible local control.