

AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Action Memorandum No. 19-077:** Authorizing the City Manager to Extend the Contract for Audit Services with BDO USA, LLC for One Additional Year..... Page 3
 - b. **Action Memorandum No. 19-078:** Authorizing the City Manager to Purchase Ten Police Portable Radios in the Amount of \$50,544.40 Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230, by Attaching to National Association of State Procurement Officers Pricing..... Page 7
 - c. **Action Memorandum No. 19-079:** Authorizing the City Manager to Execute the Consent of an Assignment and Assumption of Proprietary Lease Agreement Between Peter Drees and Travis H. and Megan E. Drake for Unit #7 of the Palmer Hangar Owners Association for PMA Lease No. 05-02 on Lease Lot 11, Block 3, Palmer Municipal Airport for the Purpose of Transferring the Individual Unit and All Future Consent to Assignment for the Assumption of Proprietary Lease Agreements between Individual Unit Owners/Sellers and Purchasers of the Palmer Hangar Owners Association for the Purpose of Transferring Units as the Situation Arises Page 11
 - d. **Action Memorandum No. 19-080:** Authorizing the City Manager to Negotiate and Enter into a Contract with Capital Industries, Inc. for the Purchase and Delivery of 26 Dumpsters and Associated Spare Parts in the Amount of \$34,160.00..... Page 23
 - e. **Action Memorandum No. 19-081:** Authorizing the City Manager to Enter into a Sole Source Procurement and Execute a Contract with Alaska Pump & Supply, Inc. for Two Replacement Lift Station Pumps in the Amount of \$72,216.00..... Page 29
 - f. **Action Memorandum No. 19-082:** Accepting Commission Member Richard Best’s Resignation from the Airport Advisory Commission..... Page 33
 - g. **Action Memorandum No. 19-086:** Accepting Board Member Kelly Turney’s Resignation from the Board of Economic Development..... Page 35
2. Approval of Minutes of Previous Meetings
 - a. October 7, 2019, Special Meeting Page 37
 - b. October 8, 2019, Regular Meeting Page 41

E. AUDIENCE PARTICIPATION

F. REPORTS

1. City Manager’s Report..... Page 45
2. City Clerk’s Report Page 47
3. Mayor’s Report Page 51
4. City Attorney’s Report

G. NEW BUSINESS

1. **Action Memorandum No. 19-083:** Directing the City Clerk to Notify the State of Alaska of the City Council’s Statement of Non-Objection to Liquor License No. 5854 for Bleeding Heart Brewery, Located at 562 S. Denali Street Page 53
2. **Action Memorandum No. 19-084:** Approving a Council Community Grant in the Amount of \$1,500.00 to the Greater Palmer Chamber of Commerce to Support Small Business Saturday in Palmer on November 30, 2019..... Page 73
3. **Action Memorandum No. 19-085:** Approving a City Council Member to Serve on the Alaska Municipal League Board of Directors for a Term Starting November 2019 Page 81
4. **Resolution No. 19-020:** Authorizing the City of Palmer to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Sellers Sales Tax Code Page 87
5. **Committee of the Whole:** Presentation of the 2020 Budget (note: action may be taken by the council following the committee of the whole)
 - a. 2020 City of Palmer Budget
 - b. 2020 City of Palmer Pay Plan
 - c. 2020 City of Palmer Fee Schedule
 - d. 2020 City of Palmer Fine Schedule
 - e. 2020 City of Palmer Capital Improvement Program

H. RECORD OF ITEMS PLACED ON THE TABLE

I. AUDIENCE PARTICIPATION

J. COUNCIL MEMBER COMMENTS

K. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
Nov 26	Special	6 pm	Budget
Nov 26	Regular	7 pm	
Dec 3	Special	6 pm	Budget
Dec 10	Special	6 pm	Budget
Dec 10	Regular	7 pm	Budget Adoption (Public Hearing)
Dec 24	Regular	7 pm	
Jan 14, '20	Regular	7 pm	

**City of Palmer
Action Memorandum No. 19-077**

Subject: Authorizing the City Manager to Extend the Contract for Audit Services with BDO USA, LLC for One Additional Year

Agenda of: November 12, 2019

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

Originator Information:

Originator: Gina Davis- Finance Director

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
✓	Finance	<u><i>Gina Davis</i></u>	10/23/19
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ **73,091**

This legislation (✓):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 73,091
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (✓):

- Budgeted Line item(s): Various Accounts
- Not budgeted (included in the 2020 Proposed Budget)

Director of Finance Signature: *Gina Davis*

Attachment(s):

- AM 17-068

Summary Statement/Background:

On October 24, 2017, Council approved AM No. 17-068, a two-year contract for professional audit services with BDO USA, LLC for the years of 2017 and 2018. Included in the RFP, the City has the opportunity to extend the audit contract for two subsequent fiscal years.

The quote received from BDO USA, LLC for the fiscal year 2019 audit is the same amount that was charged for the fiscal year 2018 audit. This is the first extension request of two from the two-year contract with BDO USA, LLC from October 2017.

Administration's Recommendation:

To approve Action Memorandum No. 19-077.

**City of Palmer
Action Memorandum No. 17-068**

Subject: Authorizing the City Manager to Negotiate and Execute a Two-Year Contract for Professional Audit Services with BDO USA, LLP


Agenda of: October 24, 2017

Council Action: **Approved** **Amended:** _____
 Denied



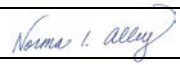
Originator Information:

Originator: Gina Davis, Finance Director

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		10/05/2017
_____	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: \$ 73,470 (2018); \$69,970 (2019)

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 73,470; \$69,970
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): Various Accounts
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- None

Summary Statement:

Pursuant to Section 3.21.170 of the PMC (Palmer Municipal Code), a Request for Proposals for professional audit services was issued on August 20, 2017 for the fiscal years ending December 31, 2017, and 2018.

The City received two responses by the submission deadline of September 21, 2017, at 2:00 P.M. The respondents were Altman, Rogers & Co., and BDO USA, LLP.

The evaluation committee consisted of the City Manager, the Finance Director and the Finance Manager.

The evaluation process was based on three sets of criteria as follows:

- 1) Mandatory elements including:
 - a) Independent Entity;
 - b) Licensed to practice in Alaska;
 - c) Last external quality control review report; and
 - d) No conflict of interest.
- 2) Technical Quality including:
 - a) Expertise and experience;
 - b) Audit approach; and
 - c) Report format samples.
- 3) Total cost of audit services.

A maximum point system was used for each set of criteria.

<u>Audit Firm</u>	<u>Total Points Scored</u>
Altman, Rogers & Company	374
BDO USA, LLP	395

In the best interest of the City, the evaluation committee recommends authorizing the City Manager to negotiate and execute a two-year contract with BDO USA, LLP with option for extension of two subsequent fiscal years.

Administration’s Recommendation:

To approve Action Memorandum No. 17-068 for the City Manager to Negotiate and Execute a Two-year Contract with BDO USA, LLP.

**City of Palmer
Action Memorandum No. 19-078**

Subject: Authorizing the City Manager to Purchase Ten Police Portable Radios in the Amount of \$50,544.40 Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230, by Attaching to National Association of State Procurement Officers Pricing

Agenda of: November 12, 2019

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




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u>X</u>	Finance		<u>10/24/2019</u>
_____	Fire	_____	_____
<u>X</u>	Police		<u>10-24-19</u>
_____	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: \$ **50,544.40**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ \$50,544.40
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 09-01-10-7125 HLS Grant Expenses \$49,500
- Not budgeted 01-12-10-6046 Small Tools & Equipment \$1,044.40

Director of Finance Signature: 

Attachment(s):

- Quote

Summary Statement/Background:

On September 20, 2019 the City of Palmer was awarded Division of Homeland Security and Emergency Management (DHS&EM) grant funds in the amount of \$49,500.00. The grant is to purchase portable police radios, the sort the officers wear on their duty belt for day to day communications when not in their patrol vehicle. The Palmer City Council approved the acceptance of the grant award on October 8, 2019. (Palmer Resolution 19-019)

This action memorandum authorizes the City Manager to purchase 10 new Motorola portable radios at a quoted price of \$50,544.40. This price reflects a pre-bid cost for the radios through the National Association of State Procurement Officers, or NASPO. The City of Palmer is an authorized user of NASPO pursuant to P.M.C. 3.21.230. After using grant funds, total cost to the City will be approximately \$1,044.40.

The City of Palmer Administration chose to take advantage of its ability to attach to NASPO pricing for the following reasons:

- The City of Palmer does not bear the expense and resources of preparing and carrying out the typical bid process;
- The City of Palmer, by attaching itself to NAPSPPO, receives a greater discount versus purchasing the radios via other means.

3.21.230 Governmental and proprietary procurements.

- A. The purchasing officer may contract, without the use of the competitive source selection procedures of this chapter, for the following supplies, services, professional services or construction:
 - 1. For contracts, including reimbursable agreements, with federal, state or local units of government or utility provider where the city has a financial responsibility or beneficial interest in entering into an agreement.
 - 2. For contracts issued pursuant to any federal, state, or local government contract where the city is an authorized user, or where the resulting contractor agrees to extend the same terms, conditions, and pricing to the city as those awarded under the original contract, all in accordance with PMC 3.21.240. Such agreements shall be limited to those contracts where the award is issued pursuant to a formally advertised solicitation.
 - 3. For contracts where the purchasing officer determines in writing that the city's requirements reasonably limit the source for the supplies, services, professional service or construction to one person.
- B. All contract awards under this section, and any amendments thereto, shall be subject to the applicable approval requirements of PMC 3.21.090 prior to execution.
- C. No contractor may provide supplies, services, professional services, or construction to the city before the applicable requirements of this section are first satisfied. (Ord. 644 § 4, 2004)

Administration's Recommendation:

Approve Action Memorandum No. 19-078



Quote Number: QU0000491246

Effective: 21 OCT 2019

Effective To: 20 DEC 2019

Bill-To: PALMER, CITY OF
231 W EVERGREEN
PALMER, AK 99645
United States

Ultimate Destination: PALMER, CITY OF
423 S VALLEY WAY
PALMER, AK 99645
United States

Attention: Name: Chief Ketterling
Phone: (907)745-4811

Sales Contact: Name: Angela Parker
Email: aparker@procommak.com
Phone: 907-563-1176

Contract Number: NASPO ValuePoint
Freight terms: FOB Destination
Payment terms: Net 30 Due

Table with 7 columns: Item, Quantity, Nomenclature, Description, List price, Your price, Extended Price. Contains 17 rows of item details.

Total Quote in USD \$50,544.40

Q3102

THIS QUOTE IS BASED ON THE FOLLOWING:

1 This quotation is provided to you for information purposes only and is not intended to be an offer or a binding proposal.

If you wish to purchase the quoted products, Motorola Solutions, Inc. ("Motorola") will be pleased to provide you with our standard terms and conditions of sale...

Thank you for your consideration of Motorola products.

2 Quotes are exclusive of all installation and programming charges (unless expressly stated) and all applicable taxes.

3 Purchaser will be responsible for shipping costs, which will be added to the invoice.

4 Prices quoted are valid for thirty(30) days from the date of this quote.

5 Unless otherwise stated, payment will be due within thirty days after invoice. Invoicing will occur concurrently with shipping.

MOTOROLA DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE ORDERED PRODUCTS, EXPRESS OR IMPLIED INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

MOTOROLA'S TOTAL LIABILITY ARISING FROM THE ORDERED PRODUCTS WILL BE LIMITED TO THE PURCHASE PRICE OF THE PRODUCTS WITH RESPECT TO WHICH LOSSES OR DAMAGES ARE CLAIMED. IN NO EVENT WILL MOTOROLA BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

**City of Palmer
Action Memorandum No. 19-079**

Subject: Authorizing the City Manager to Execute the Consent of an Assignment and Assumption of Proprietary Lease Agreement Between Peter Drees and Travis H. and Megan E. Drake for Unit #7 of the Palmer Hangar Owners Association for PMA Lease No. 05-02 on Lease Lot 11, Block 3, Palmer Municipal Airport for the Purpose of Transferring the Individual Unit and All Future Consent to Assignment for the Assumption of Proprietary Lease Agreements between Individual Unit Owners/Sellers and Purchasers of the Palmer Hangar Owners Association for the Purpose of Transferring Units as the Situation Arises

Agenda of: November 12, 2019

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: \$ **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):

- (Proposed) Assignment & Assumption of Proprietary Lease & Transfer of Certificate of Membership
- (Existing) Assignment & Assumption of Proprietary Lease & Transfer of Certificate of Membership
- Action Memorandum No. 07-003 Consent to Proprietary Leases PHOA
- Section 4.3 Insurance Requirement "New Leasing Agreement"

Summary Statement/Background:

This AM approval ensures parity with the other Hangar Associations to meet FAA Grant Assurances. This legislation recommends the insurance requirements for the Palmer Hangar Owners Association as well as the individual unit owners. It also provides for the consent to proprietary lease agreement upon unit sales (9 Total Units) now and future transactions as outlined below.

Insurance Requirements for Individual Unit Owners:

It is recommended that the master lease agreement PMA No. 05-02 be upgraded to our new leasing requirements established in 2015 and that all unit owners must also comply with the same liability insurance requirement as the underlying master lease agreement. After extensive consultation with numerous insurance agencies, \$1M appears to be the basic bottom limit of any airport premises liability policy offered in today's insurance market place. It also protects not only the City of Palmer, but the other unit owners in case there is a substantial loss which would affect the other unit owners. Merrill Field and Kenai Municipal Airports use this approach to insurance when approving their individual hangar associations.

Consent to Proprietary Leases:

It is recommended that the Consent to Assignment for the Assumption of Proprietary Lease Agreements between Individual Unit Owners/Sellers (Assignors) and Purchasers (Assignees) for the Nine (9) units in the Palmer Hangar Owners Association, be a City Administrative function now and for all future transfers. The consent would be granted by either the City Manager or designated representative under the following criteria without additional council approval:

- The Palmer Hangar Owners Association is not in default of their lease agreement.
- The Palmer Hangar Owners Association has approved the sale or unit transfer.
- The unit will be used for aircraft storage and maintenance.
- A proper insurance binder or certificate of insurance (as outlined above) has been obtained prior to closing.
- City Information sheet for the new unit owner is obtained
- Copies of sales transaction documents are obtained prior to closing
- A copy of the recorded Assignment of Proprietary Lease is obtained.

These consent agreement guidelines for individual T hangar unit transfers would have no material effect on the underlying master lease approved by the City Council. Would save valuable City Administration and City Council time and would also speed up the closing process for the real estate transaction by a minimum of three (3) weeks, making the Palmer Municipal Airport competitive in the airport market place for these types of developments.

Administration's Recommendation:

To approve Action Memorandum No. 19-079



**ASSIGNMENT AND ASSUMPTION OF PROPRIETARY LEASE
AND TRANSFER OF CERTIFICATE OF MEMBERSHIP**

FATIC 2147341

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND TRANSFER OF CERTIFICATE OF MEMBERSHIP (the "Assignment") is made and entered into and effective as of the 15th day of October, 2013, by and between FRANCOIS VECCHIO and CHRISTINE VECCHIO, husband and wife, ("Assignor"), whose address is 6 6th Street, Petaluma, CA 94952, and PETER DREES, a(n) single person, ("Assignee"), whose address is 4384 Lower Kogru Drive, Eagle River, AK 99577.

RECITALS

WHEREAS, Assignor is currently the lessee under that certain Proprietary Lease Agreement (the "Lease") between Assignor and Palmer Hangars Owners Association, dated December 20, 2006, recorded April 13, 2007, Reception Number 2007-008720-0, with respect to certain airplane hangar space described as

That portion of Tract B, further described as, Unit 7 of Lot 11, Block 3, PALMER MUNICIPAL AIRPORT, according to the official plat thereof, filed under Plat Number 2006-15, Records of the Palmer Recording District, Third Judicial District, State of Alaska, and

WHEREAS, by mesne Assignments Palmer Hangars Owners Association obtained a lease from the City of Palmer at the Palmer Airport as to the following described property

Lot 11, Block 3, Preliminary Plat for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, State of Alaska;

and all terms and conditions of said Airport Lease and compliance therewith apply to this Assignment and Assumption of Proprietary Lease and Transfer Of Certificate Of Membership, all as more fully set forth in said Proprietary Lease; and

WHEREAS, Assignor desires to assign their right, title, and interest under the Proprietary Lease to Assignee, and further transfers the Certificate of Membership in and to said Unit 7, and Assignee desires to accept and assume the right, title, and interest of Assignor under the Proprietary Lease and Certificate of Membership;

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained herein, the parties agree as follows:

Dalrymple Law, P.C. • 927 S. Cobb Street, Palmer AK 99645 • 907-745-6332 • www.matsulaw.com

Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, Page 1

Section 1. Assignment of Proprietary Lease and Transfer of Certificate of Membership. Assignor hereby grants, transfers, conveys and assigns to Assignee all of their right, title and interest as Lessee under the Proprietary Lease and Certificate of Membership, and Assignee accepts such assignment, and except as provided in Section 2 below, assumes all obligations of Assignor thereunder, as of the effective date of this Assignment. Except as provided in Section 2 with respect to Claims (as such term is hereinafter defined), Assignee shall defend, indemnify and hold harmless Assignor from and against all Claims arising or occurring under the Proprietary Lease and Certificate of Membership after the effective date of this Assignment.

Section 2. Continued Liability of Assignor. Notwithstanding the provisions of Section 1 above, Assignor expressly agrees that they shall remain liable for all obligations and claims (the "Claims"), including, but not limited to, indemnity obligations, arising or occurring under the Proprietary Lease and Certificate of Membership prior to the effective date of this Assignment, irrespective of whether a Claim is made after the effective date of this Assignment. Assignor shall defend, indemnify and hold harmless Assignee from and against such Claims.

Section 3. Permits, Laws, and Taxes. The assignee shall acquire and maintain, in good standing, all permits, licenses and other entitlements necessary to the performance under this Agreement. All actions taken by the assignee under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations, including, but not limited to the Palmer Municipal Code, and all state and/or federal laws and regulations. The assignee shall pay all taxes pertaining to its performance under this Agreement.

Section 4. Other Instruments/Actions. The parties agree to execute such further reasonable instruments, to take such further reasonable actions, and to make any additional reasonable transfers as may be necessary to carry out the purpose and intent of this Assignment.

Section 5. Miscellaneous.

5.01. Governing Law/Remedies. This Assignment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the State of Alaska without giving effect to principles or provisions thereof relating to choice of law or conflict of laws. In any action to enforce the provisions of this Assignment, the prevailing party shall be entitled to reasonable attorney fees and court costs.

5.02. Waiver/Amendments. Any waiver must be in writing, and any waiver by any party of a breach of any provision of this Assignment shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Assignment. The failure of a party to insist upon strict adherence to any term of this Assignment on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Assignment. This Assignment shall not be altered, modified or otherwise amended except by an instrument in writing signed by both parties.

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Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, Page 2



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2013-022613-0

5.03. **Binding Effect; Assignment.** This Assignment and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5.04. **No Partnership, Joint Venture, Etc.** Nothing in this Assignment shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

5.05. **No Third Party Beneficiaries.** This Assignment does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Assignment.

5.06. **Severability.** If any provision of this Assignment or any application thereof shall be held invalid, illegal or unenforceable, the remainder of this Assignment or any other application of such provision shall not be affected thereby.

5.07. **Counterparts.** The Assignment may be executed in one or more counterparts, including by facsimile, all of which counterparts taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date and year first written above.

ASSIGNOR:

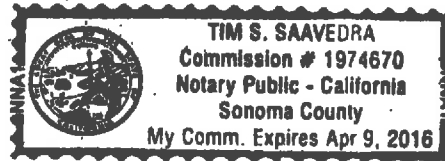
Francois Vecchio
FRANCOIS VECCHIO

Christine Vecchio
CHRISTINE VECCHIO

STATE OF CALIFORNIA)
COUNTY OF Sonoma) ss.

THIS IS TO CERTIFY, that on 10/15/13, 2013, before the undersigned Notary Public in and for California, duly commissioned and sworn as such, personally appeared FRANCOIS VECCHIO and CHRISTINE VECCHIO, known to me to be the person(s) named in and who executed the above and foregoing instrument and they acknowledged to me that they signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal
[Signature]
Notary Public in and for California
My commission expires: 4/9/16
SEAL→

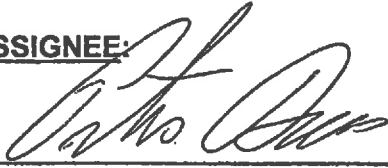


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Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, Page 3



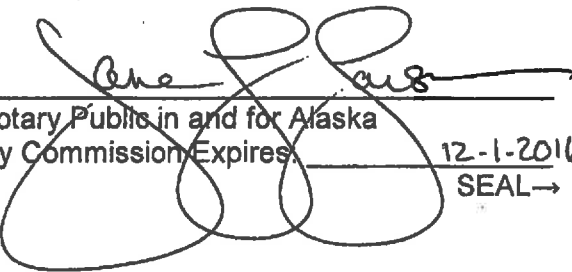
ASSIGNEE:

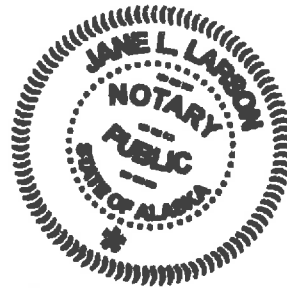


PETER DREES

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me on October 16, 2013, 2013, by PETER DREES.


Notary Public in and for Alaska
My Commission Expires 12-1-2016
SEAL →



Approved by CITY OF PALMER:

The City Of Palmer, Lessor under the original Airport Lease dated June 5, 2005, hereby approves of this Assignment And Assumption Of Proprietary Lease and Transfer Of Certificate Of Membership and the provisions thereof.

DATED: October 11, 2013

CITY OF PALMER:

By: Douglas B. Griffin
Its: City Manager

Record in Palmer Recording District.
Return to:
PETER DREES
4384 Lower Kogru Drive
Eagle River, AK 99577

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Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, Page 4



4 of 4

2013-022613-0

**ASSIGNMENT AND ASSUMPTION OF PROPRIETARY LEASE
AND TRANSFER OF CERTIFICATE OF MEMBERSHIP**

Y19-7712-SB(E)

THIS ASSIGNMENT AND ASSUMPTION OF PROPRIETARY LEASE AND TRANSFER OF CERTIFICATE OF MEMBERSHIP (the "Assignment") is executed and entered into on this _____ day of _____, 2019, by and between PETER DREES, a single person, whose address is 4384 Lower Kogru Drive, Eagle River, AK 99577, hereinafter referred to as Assignor, and TRAVIS H. DRAKE and MEGAN E. DRAKE, husband and wife, whose address is 22668 Sambar Loop, Chugiak, AK 99567, hereinafter referred to as Assignee;

W I T N E S S E T H:

WHEREAS, a leasehold estate was created by that certain Proprietary Lease dated December 20, 2006 and recorded April 13, 2007 as Instrument No. 2007-008720-0, records of the Palmer Recording District, Third Judicial District, State of Alaska, wherein Palmer Hangar Owners Association appears as Lessor and Francois Vecchio and Christine Vecchio, husband and wife, appear as Lessee, with respect to certain airplane hangar space described as:

That Portion of Tract B, further described as, Unit 7 of Lot 11, Block 3, PALMER MUNICIPAL AIRPORT, according to the official plat thereof, filed under Plat No. 2006-15, Records of the Palmer Recording District, Third Judicial District, State of Alaska;

WHEREAS, by mesne Assignments, Palmer Hangars Owners Association obtained a lease from the City of Palmer at the Palmer Airport as to the following described property:

Lot 11, Block 3, Preliminary Plat for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, State of Alaska;

WHEREAS all the terms and conditions of said Airport Lease and compliance therewith apply to this Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, all as more fully set forth in said Proprietary Lease;

WHEREAS, Assignor is the current Lessee under that certain Proprietary Lease more particularly described above, by Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, dated October 15, 2013 and recorded October 17, 2013 as Instrument No. 2013-022613-0; and

WHEREAS, Assignor desires to convey all of its right, title and interest in and to the Proprietary Lease to Assignee, and further transfers the Certificate of Membership in and to said Unit 7, and Assignee desires to accept and assume the right, title and interest of Assignor under the Proprietary Lease and Certificate of Membership;

NOW, THEREFORE, for and in consideration of the foregoing and the covenants and agreements contained herein, the parties do hereby agree as follows:

1. Assignment of Proprietary Lease and Transfer of Certificate of Membership. Assignor does hereby grant, bargain, sell, convey, assign, transfer, set over and deliver unto Assignee, their successors and assigns, all of Assignor's right, title and interest as Lessee under the Proprietary Lease and Certificate of Membership, all obligations of Assignor thereunder, as of the effective date of this Assignment. Assignee hereby covenants and agrees to indemnify, save and hold harmless Assignor from and against any and all liability, claims or causes of action existing in favor of or asserted by any party to the Proprietary Lease or by any third party, arising out of Assignee's failure to perform any of the obligations under the Proprietary Lease after the date hereof.
2. Continued Liability of Assignor. Assignor hereby covenants and agrees to indemnify, save and hold harmless Assignee from and against any all liability, claims or causes of action existing in favor of or asserted by any party to the Proprietary Lease or by any third party, arising out of or relating to Assignor's failure to perform any of its obligations under the Proprietary Lease prior to the date hereof.
3. Permits, Laws, and Taxes. The Assignee shall acquire and maintain, in good standing, all permits, licenses and other entitlements necessary to the performance under this Assignment. All actions taken by the Assignee under this Assignment shall comply with all applicable statutes, ordinances, rules and regulations, including, but not limited to, the Palmer Municipal Code, and all state and/or federal laws and regulations. The Assignee shall pay all taxes pertaining to its performance under this Assignment.
4. Other Instruments/Actions. The parties agree to execute such further reasonable instruments, to take such further reasonable actions, and to make any additional reasonable transfers as may be necessary to carry out the purpose and intent of this Assignment.
5. Miscellaneous.
 - a. Governing Law/Remedies. This Assignment and the rights of the parties under it will be governed by and construed in all accordance with the laws of the State of Alaska without giving effect to principles or provisions thereof relating to choice of law or conflict of laws. In any action to enforce the provisions of this Assignment, the prevailing party shall be entitled to reasonable attorney fees and court costs.

- b. Waiver/Amendments. Any waiver must be in writing, and any waiver by any party of a breach of any provision of this Assignment shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Assignment. The failure of a party to insist upon strict adherence to any term of this Assignment on one or more occasions shall not be construed as a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Assignment. This Assignment shall not be altered, modified or otherwise amended except by an instrument in writing signed by both parties.
- c. Binding Effect; Assignment. This Assignment and all of the provisions hereof shall be binding upon and insure to the benefit of the parties hereto and their respective successors and permitted assigns.
- d. No Partnership, Joint Venture, Etc. Nothing in this Assignment shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.
- e. No Third Party Beneficiaries. This Assignment does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Assignment.
- f. Severability. If any provision of this Assignment or any application thereof shall be held invalid, illegal or unenforceable, the remainder of this Assignment or any other application of such provision shall not be affected thereby.
- g. Counterparts. This Assignment may be executed in one or more counterparts, including by facsimile, all of which counterparts taken together shall constitute one and the same instrument.

DATED: _____

ASSIGNOR:

PETER DREES

DATED: _____

ASSIGNEE:

TRAVIS H. DRAKE

MEGAN E. DRAKE

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 2019,
by PETER DREES.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 2019,
by TRAVIS H. DRAKE and MEGAN E. DRAKE.

Notary Public in and for Alaska
My commission expires: _____

APPROVED BY THE CITY OF PALMER:

The City of Palmer, Lessor under the original Airport Lease dated June 5, 2005, hereby
approves of the foregoing Assignment and Assumption of Proprietary Lease and Transfer of
Certificate of Membership and the provisions thereof.

DATED: _____

CITY OF PALMER

By: _____

Its: _____

Record in the Palmer Recording District
Return to Travis and Megan Drake
22668 Sambar Loop
Chugiak, AK 99567

CITY OF PALMER ACTION MEMORANDUM

SUBJECT: Authorize the City Manager to Consent to Palmer Hangars Owners Association Proprietary Lease for Units No. 1, 3, 4, 5, 6, 8, 9, Upon Their Sale

AGENDA OF: January 9, 2007

Council action:

Authorized

Approved for presentation by Tom Healy, City Manager



Route To:	Department/Individual:	Initials:	Remarks:
x	Originator – Airport Manager	<i>[Signature]</i>	
X	City Clerk	<i>[Signature]</i>	
x	City Attorney	<i>[Signature]</i> JS	add 4 below - not in default.
	Emergency Services Director		
	Finance Director		
	Library Director		
	Police Chief		
	Public Works Director		

Attachment(s):

Fiscal note:

x	No fiscal impact.
	Funds are budgeted from this account number:
	Funds are not budgeted. Budget modification is required. Affected account number:

Finance Director Signature:



Summary statement: Palmer Hangars Owner Association is the lessee for a 9 unit T-hangar complex constructed on Yukon Drive at the Palmer Municipal Airport. Authorizing this consent will permit the sale of the remaining units to close with out prior council approval.

Administration recommendation: Authorize the City Manager to execute the Consent to Proprietary Lease for Units 1, 3, 4, 5, 6, 8, and 9 conditioned on receipt of the following:

1. Copy of fully executed Proprietary Lease
2. Completed Tenant contact information sheet is filled out
3. Certificate of Insurance in accordance with the requirement of the proprietary lease is received.
4. Tenant is not in default under the lease from the City.

Section 4.3 Insurance

A. Lessee, at its own expense, shall secure and maintain in full force at all times during the term of this Lease:

1. **Commercial general liability.** Commercial general liability insurance with a single occurrence liability limit of \$1,000,000 and an aggregate of \$2,000,000 insuring against liability of Lessee, its officers, contractors, licensees, agents, employees, guests, invites and authorized representatives, arising out of and/or in connection with Lessee's use or occupancy of the Premises; **or**
2. **Airport premises liability.** Airport premises liability insurance on an occurrence basis with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit for bodily injury and property damage.
3. If applicable, third-party aircraft liability insurance with a single combined liability limit of not less than \$1,000,000 per occurrence;
4. **Commercial property insurance in the amount of replacement costs.**
5. The Lessor reserves the right to require Lessee to provide pollution insurance as warranted by the proposed use of the Premises.

B. This insurance required under this Section shall:

1. **Name the Lessor as an "additional insured"**
2. **Contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor thirty (30) days prior written notice;**
3. Be with an insurance company qualified to do business in the State of Alaska with a financial rating of at least "A" as rated in current Best's Insurance Reports;
4. **Include a waiver of subrogation clause** by which the insurer waives all rights of subrogation against the Lessor for payments made under the policy; and
5. Not contain a damage deductible for each and every loss that exceeds \$10,000.

C. Lessee shall provide Lessor with **proof of insurance coverage in the form of a certificate of insurance**, and if requested by the Lessor, Lessee shall provide Lessor with a copy of the policy(ies). Failure to maintain such insurance in effect shall constitute grounds for immediate termination of this lease. Lessor may at its option purchase said insurance and charge the expense thereof to Lessee, which expense Lessee shall assume and pay.

D. To reasonably protect itself, Lessor may adjust these minimum insurance requirements and add types of insurance or both by giving Lessee written notice of such adjustment ninety (90) days prior to the expiration of each five (5) year interval of the term of this Lease. Lessor may also adjust these minimum insurance requirements at any time if Lessee's use of the Premises changes, and in such event, Lessor shall give Lessee thirty (30) days written notice of such adjustment.

E. The requirements of insurance coverage do not relieve Lessee from any other obligation under this Lease.

CONTACT INFORMATION:

Frank J. Kelly
Airport Superintendent
Palmer Municipal Airport
Direct: (907) 761-1334
Fax: (907) 745-0930
Email: fkelly@palmerak.org
Mailing: 231 W. Evergreen Ave. Palmer, AK. 99645
Location: 901 E. Airport Rd. Palmer, AK. 99645

**City of Palmer
Action Memorandum No. 19-080**

Subject Authorizing the City Manager to Negotiate and Enter into a Contract with Capital Industries, Inc. for the Purchase and Delivery of 26 Dumpsters and Associated Spare Parts in the Amount of \$34,160.00



Agenda of: November 12, 2019

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




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance		10/28/2019
_____	Fire	_____	_____
_____	Police	_____	_____
√	Public Works		10/28/2019

Approved for Presentation By:

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

Certification of Funds:


Total amount of funds listed in this legislation: \$ **34,160.00**

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
√	Creates expenditure in the amount of:	\$ <u>34,160.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

√	Budgeted	Line item(s): <u>05-01-10-6053 Equipment</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- Quote for Capital Industries, Inc.

Summary Statement/Background:

Staff requests approval for the City Manager to enter into a contract with Capital Industries, Inc. for the purchase of 26 new dumpsters and associated spare parts. The new dumpsters will replace older, failing dumpsters.

The old out of service dumpsters will be placed on public auction when the new dumpsters arrive.

The City solicited four separate quotes and Capital Industries, Inc. provided the most responsive, responsible quote, and offers the best price for the quantity and shipment of dumpsters.

Administration's Recommendation:

To approve Action Memorandum No. 19-080 for the purchase of new dumpsters.

**City of Palmer
Public Work Department
Request for Quotation (RFQ)**

Work Order No: 18253

RFQ No: 19-0050

RFQ Issue Date: October 10, 2019

RFQ Title: Front Load

Dumpsters:

Item No:	Description:	Quantity:	Unit Cost Each:	Total:
1	8-yard Front Load Dumpster	6	1685. ⁰⁰	\$10,110. ⁰⁰
2	4-yard Nest-Able Front Load Dumpster	10	890. ⁰⁰	\$8,900. ⁰⁰
3	3-yard Front Load Dumpster	10	\$745. ⁰⁰	\$7,450. ⁰⁰
4	Dumpster Spare Double Ply Plastic Lids 52" long X 37" Wide	20	\$45. ⁰⁰	\$900. ⁰⁰
5	Dumpster Spare Double Ply Plastic Lids 57" Long X 37" Wide	20	\$45. ⁰⁰	\$900. ⁰⁰
6	Shipping to 1316 South Bonanza Street Palmer, Alaska 99645	1	\$5,900. ⁰⁰	\$5,900. ⁰⁰
			Total:	\$34,160. ⁰⁰

5
55 x 3 - 14
48 - 2 - 8

Bidder Information:

Company Name: Capital Industries Phone No: 206.764.8219
 Contact Person: Bryan Taylor Email: btaylor@capitalind.com
 Signature: [Signature] Date: 10/18/19

**FOB Destination:
City of Palmer, Public Works Department,
1316 South Bonanza Street, Palmer, Alaska 99645**

The City of Palmer is currently requesting quotes for the above items. All quotes will need to meet FOB requirements. Quotes may be Emailed to address listed gwickham@palmerak.org or faxed to # (907)-745-3203 prior to the due date and time specified (**October 28, 2019 at 11:00 a.m. AKDT**) When sending any correspondence pertaining to this quote please reference the Work order Number 18253 and RFQ Number **19-005Q**. Attention: Greg Wickham City of Palmer Public Works Department Superintendent.

The bidder hereby proposes to furnish all materials which meet the attached specifications to the FOB destination 1316 South Bonanza Street Palmer Alaska at the prices established on this RFQ. The delivery date will be no later than December 31st, 2019. The pricing will need to be honored for up to 90- days.

Specifications for 'NESTABLE' Front Load Container

It is the intent of these specifications to describe a 3.0 & 4.0 yard front load NESTABLE container and 8 yard standard containers. Containers must conform in quality and workmanship to those furnished the trade by a manufacturer who regularly manufactures such containers. Containers should be designed to function in a front-loading packer system, without modification.

All parts or design criteria not specifically mentioned but which are necessary to provide a quality container shall be included in this tender. The container must conform to the following minimum specifications:

1. Dimensions

	3 yd Nest able	4 yd Nest able	8 yd Standard
Depth	42" I.D.	52" I.D.	71" I.D.
Width	71.5	71.5	71.5
Height	50"	50"	86"
Front loading height	45"	45"	53"

2. Construction

All walls (front, bottom, rear and sides) shall be a minimum of 12-gauge steel. All seams to be continuously welded on the inside and skip welded on the outside and the container shall be watertight. Ends are to be one-piece construction with min 3/4" flanges on 3 sides to wrap around container body. Container top edge opening shall be reinforced with interlocking formed channels of not less than 12 gauge steel. Each container to have a 2" drain and plastic plug.

3. Skids

Containers shall have two (2) full length skids either 12 G.A. formed channel or 3" 4.1# structural channel.

4. Fork Pockets

Pockets shall be constructed of 11 gauge steel minimum, 36" long formed into channel. Bottom of pocket to be reinforced with either angle or gussets at least 3/16" thick steel.

5. Lids

Container lids shall be single double wall plastic lids, with 1/2" zinc plated hinge rod. Brand shall be Impact Plastic double wall.

6. Paint

Welded slag shall be removed and all rough edges shall be ground smooth. The container shall be coated with one (1) coat primer on all surfaces inside and outside. Two (2) coats weather resistant enamel on inside and outside. Color to be Forest Green.

7. Welding

Welding to be performed by certified welders to Code L1/D 1.3. All welds will be subject to random testing for integrity and strength.

**City of Palmer
Action Memorandum No. 19-081**

Subject: Authorizing the City Manager to Enter into a Sole Source Procurement and Execute a Contract with Alaska Pump & Supply, Inc. for Two Replacement Lift Station Pumps in the Amount of \$72,216.00



Agenda of: November 12, 2019

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




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance		09/25/19
_____	Fire	_____	_____
_____	Police	_____	_____
√	Public Works		9/25/19

Approved for Presentation By:

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

Certification of Funds:


Total amount of funds listed in this legislation: \$ **72,216.00**

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>72,216.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>24-50-50-6253</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- Lift #4 Alaska Pump & Supply, Inc Quote AK19-0531R1 FLYGT Pump
- Lift #5 Alaska Pump & Supply, Inc Quote AK19-0531R1 FLYGT Pump

Summary Statement/Background:

This Action Memorandum requests approval to purchase two new sewer lift station pumps as direct replacements from Alaska Pump & Supply, Inc. They are the only west coast Flygt Pump dealer.

Public Works Department personnel will remove one existing pump at each lift station location and install the replacement pump.

Installation of the new pumps will allow one pump from each Lift station to be repackaged and sent back to manufacture to be rebuilt & returned and put into service the following year or as needed.

Palmer Municipal Code allows for governmental and proprietary procurements. A sole source purchase as provided in PMC 3.21.230 A.3., is appropriate in this case to assure the procurement of equipment is consistent with the existing piping and controls at each lift station location.

Administration's Recommendation:

To approve Action Memorandum No. 19-081



ALASKA PUMP & SUPPLY, INC

8400 SANDLEWOOD PL • ANCHORAGE, ALASKA 99507 • PHONE: (907)563-3424 • FAX: (907)562-5449

September 24, 2019

ATTN: Alycia Anderson - City of Palmer

QUOTE: **AKP19-0531R1**

Project: Flygt Pumps

PH: 907-631-8900

Email: Aanderson@palmerak.com

We are pleased to provide pricing for the following equipment:

Qty	Part #	Description	Each	Total
1	3202.095-5193	NP456-6 70/460/3 65' FM FLS FV	\$ 47,179.00	\$ 47,179.00
1	3171.095-5188	NP454-4 25/460/3 65' FM FLS FV	\$ 24,155.00	\$ 24,155.00
90	CONMFG Type 316 SS Chain	3 sections x 30' each 5/16 SS Chain	\$ 9.80	\$ 882.00
Please reference AKP19-0531R1 when placing order.				Total: \$72,216.00

Subject to Alaska Pumps Terms & Conditions of Sale. Net Thirty (30) Terms are subject to Alaska Pumps' credit department approval.

F.O.B: Palmer, AK
Ships: 12-14 Weeks ARO

Notes: Duplicate of AKP18-0048, 0049, & 0050. SO# 9535663

Regards,

Matt Salsbury

Outside Technical Sales

DXP | Alaska Pump & Supply, Inc.

Direct: (907) 793-4842

Cell: (907) 433-9888

FAX: (907) 562-5449

Matthew.Salsbury@dxpe.com

**DXP | ALASKA PUMP & SUPPLY, INC.
STANDARD TERMS & CONDITIONS OF SALE**

Terms of Payment: Payment is due thirty (30) days after the date of the invoice. Interest on the unpaid balance will be charged on all overdue monies at the rate of 18% per annum or the highest rate allowable by law, whichever is less. Customer agrees to pay all collection costs, including actual reasonable attorney's fees incurred in collecting monies due hereunder. Seller reserves the right to require payment in advance or provide other credit terms if Buyer's credit is not acceptable to Seller.

Identification and Risk of Loss: The products, goods and/or equipment shall be identified to the contract and risk of loss shall pass to Buyer when the products, goods and/or equipment are placed in the hands of the carrier.

Freight: All prices are FOB point of manufacture and do not include freight unless specifically listed as included. Seller shall not be responsible for actions, inactions or delays by the carrier.

Conditions: All orders are accepted with the understanding that they are subject to Seller's ability to obtain the necessary products, goods and/or equipment.

Not Included: Unless specifically provided herein, the products, goods, equipment, and/or services listed do not include freight, haulage, unloading, freight claims, installation, erection, concrete, grout, water, utilities, lubricating grease and oil, power, tools, labor, controls, conduit, wiring, meters, main disconnects, piping, valves, fittings, gaskets, hardware, taxes, covers, field painting, insurance, testing, royalties, maintenance, operation, erection supervision, start-up services, personnel transportation, anchor bolts, welding rod, or asset.

Inspection: Buyer shall inspect Seller's products, goods and/or equipment upon receipt and if Buyer's inspection reveals any defects, Buyer shall notify the Seller within three (3) days after receipt of the products, goods and/or equipment of any claim Buyer might have concerning such defects or of any claim discovered by Buyer. Buyer's failure to notify Seller within such three day period shall constitute a waiver by Buyer of all claims covering such defects.

Errors: Seller reserves the right to correct any clerical and/or stenographic error or omission.

Cancellation: Buyer may cancel this order only upon written notice and payment to Seller of reasonable cancellation charges.

Returns: Seller will not accept returns of chemicals, electrical items or special orders. Seller will not accept returns of any products, goods and/or equipment after ninety (90) days from the date of the invoice. Buyer will be assessed a reasonable restocking fee on any accepted returns.

Approvals: Buyer is responsible for obtaining any required engineers', owners', and/or governmental agencies' approval of the products, goods, equipment and/or services. Seller does not warrant that the products, goods, equipment and/or services will meet any such approvals or specifications.

Limitation of Liability: In no event shall Seller be liable for any lost profits, down time, lost sales, operating or maintenance costs, or for any other special, indirect, incidental or consequential damages of Buyer.

Warranties: SELLER MAKES NO EXPRESS WARRANTIES WITH RESPECT TO ANY PRODUCT, GOODS AND/OR EQUIPMENT SOLD OR SERVICES PERFORMED AND SELLER SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Seller does not authorize anyone to make a warranty of any kind on its behalf and Buyer should not rely on any statement to that effect. Seller is not the manufacturer of the products, goods and/or equipment. If the manufacturer of the products, goods and/or equipment warrants the products, goods and/or equipment that Buyer has purchased, Buyer shall have whatever manufacturer's warranty there is subject to the terms and conditions of the warranty. The Buyer's sole and exclusive remedy, if any, shall be against the manufacturer and not Seller.

Integration: These Terms and Conditions constitute the entire agreement between Buyer and Seller with respect to this transaction and supercede and replace all prior negotiations agreements, and representation, oral or written. These Terms and Conditions may not be amended or modified except pursuant to a written document signed by both parties.

Governing Law: The terms of this agreement and all rights and obligations of the parties hereunder shall be governed by the laws of the State of Alaska.

Binding Effect: These Terms and Conditions shall be binding on the parties hereto and their heirs, personal representatives, successors, and assigns. The undersigned acknowledges and agrees to Alaska Pump & Supply, Inc. terms and conditions of sale/quote as referenced in our quote AKP19-0531R1 and is subject to Alaska Pump & Supply Inc.'s Standard Terms and Conditions of Sale which are outlined above and agrees to be bound by said Terms and Conditions. No other conditions previous or after date below apply.

Letters and Quotes: Notwithstanding any language to the contrary, nothing contained in our letters or quotes constitutes or is intended to constitute engineering work requiring a stamp or engineering seal by Alaska Pump & Supply, Inc.. We neither convey nor imply that the company or persons are practicing engineering herein.

Customer Name Printed

Company Name Printed

X _____
Customer Signature

Date:

**City of Palmer
Action Memorandum No. 19-082**

Subject: Accepting Commission Member Richard Best's Resignation from the Airport Advisory Commission

Agenda of: November 12, 2019

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

Originator Information:

Originator: Mayor DeVries 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	_____	_____
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):

➤ None

Summary Statement/Background:

Palmer Charter Chapter II Section 2.9 requires the City Council to approve resignations by members of boards and commissions.

Richard Best submitted his resignation effective October 10, 2019.

The Clerk's Office will begin the advertising process to fill the vacancy created by the resignation, will forward applications to the Mayor for nomination, and then to the council for confirmation.

**City of Palmer
Action Memorandum No. 19-086**

Subject: Accepting Board Member Kelly Turney's Resignation from the Board of Economic Development

Agenda of: November 12, 2019

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

Originator Information:

Originator: Mayor DeVries 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	_____	_____
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):

➤ None

Summary Statement/Background:

Palmer Charter Chapter II Section 2.9 requires the City Council to approve resignations by members of boards and commissions.

Kelly Turney submitted his resignation effective November 6, 2019.

The Clerk's Office will begin the advertising process to fill the vacancy created by the resignation, will forward applications to the Mayor for nomination, and then to the council for confirmation.

A. CALL TO ORDER

A special meeting of the Palmer City Council was held on October 7, 2019, at 6:00 p.m. in the Council Chambers, Palmer, Alaska. Mayor DeVries called the meeting to order at 6:00 p.m.

B. ROLL CALL

Comprising a quorum of the Council, the following were present:

Edna DeVries, Mayor	Linda Combs
Julie Berberich	Sabrina Combs
Steve Carrington, Deputy Mayor	David Fuller
Imran Chaudhry	

Staff in attendance were the following:

Nathan Wallace, City Manager	Michael Gatti, City Attorney (participated telephonically)
Norma I. Alley, MMC, City Clerk	Kara Johnson, Deputy City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

Main Motion: To Approve the Agenda

Moved by:	Fuller
Seconded by:	S. Combs
Vote:	Unanimous
Action:	Motion Carried

E. AUDIENCE PARTICIPATION

Mr. Jim Cooper thanked all the candidates and wished all incoming and outgoing Council members well.

F. ELECTION CERTIFICATION

1. **Resolution No. 19-018:** Accepting the Certificate of Canvass Board Results and Certifying the October 1, 2019, Regular City Election

City Clerk Alley reported on the October 1, 2019, Regular Election, Canvass Board process, Election Recount and the election results. City Clerk Alley recommended adopting Resolution No. 19-018.

Main Motion: To Adopt Resolution No. 19-018

Moved by:	L. Combs
Seconded by:	Fuller
Vote:	Unanimous
Action:	Motion Carried

G. COUNCIL MEMBER COMMENTS

All welcomed incoming and outgoing Council Members.

H. ADMINISTRATION OF NEWLY ELECTED OFFICIAL’S OATH OF OFFICES

City Clerk Alley administered the Oath of Office for Mayor Edna DeVries, Council Member Richard Best, Council Member Steve Carrington, and Council Member Jill Valerius.

Sworn in members took their seats and constituted a quorum of the new Council.

I. ORGANIZATION OF COUNCIL

1. Election of Deputy Mayor

Mayor DeVries opened the floor for nominations for Deputy Mayor.

Council Member Berberich nominated Council Member S. Combs to serve as Deputy Mayor.

Council Member Best nominated Council Member L. Combs to serve as Deputy Mayor.

Hearing no further nominations, Mayor DeVries closed the nominations and called for a vote.

Council Member L. Combs received the greatest number of votes; therefore, she was elected to the office of Deputy Mayor.

2. Election of Alternate Deputy Mayor

Mayor DeVries opened the floor for nominations for Alternate Deputy Mayor.

Council Member Best nominated Council Member Carrington as Alternate Deputy Mayor.

Hearing no further nominations, Mayor DeVries closed the nominations and called for a vote.

Council Member Carrington received the greatest number of votes; therefore, he was elected to the office of Alternate Deputy Mayor.

J. RECORD OF ITEMS PLACED ON THE TABLE

City Clerk Alley reported Resolution No. 19-018 and Palmer Municipal Code referencing the election of the Deputy Mayor and Alternate Deputy Mayor were the Items Placed on the Table.

K. COUNCIL MEMBER COMMENTS

No direction given to staff for legislation to be placed on a future agenda.

L. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 6:29 p.m.

Approved this ____ day of _____, 2019.

Norma I. Alley, MMC, City Clerk

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on October 8, 2019, at 7:00 p.m. in the Council Chambers, Palmer, Alaska. Mayor DeVries called the meeting to order at 7:00 p.m.

B. ROLL CALL

Comprising a quorum of the Council, the following were present:

Edna DeVries, Mayor
Julie Berberich
Richard W. Best
Steve Carrington

Linda Combs, Deputy Mayor
Sabrena Combs
Jill Valerius

Staff in attendance were the following:

Nathan Wallace, City Manager
Norma I. Alley, MMC, City Clerk

Michael Gatti, City Attorney
Kara Johnson, Deputy City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Action Memorandum No. 19-069:** Authorizing the City Manager to Execute a Sub-Lease of Lease No. 92-1 on Lease Lot 29, Block 3, with Victor R. Willis and Northern Aviation LLC for the Purpose of Transferring Hanger Unit #5 Ownership from the Previous Sub-Lessee to the New Sub-Lessee
 - b. **Action Memorandum No. 19-070:** Authorizing the City Manager to Negotiate and Enter Into an Agreement with Motorola Solutions in the Amount of \$135,088.88 for the Maintenance and Service of Palmer Police and Fire Dispatch Radio Consoles, Recording Equipment, and Infrastructure Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230
 - c. **Action Memorandum No. 19-071:** Authorizing the City Manager to Award and Execute a Contract with White Knight Services in the Amount of \$1,954.00 per Event of Snow Removal Services for City Families
2. Approval of Minutes of Previous Meetings
 - a. September 10, Special Meeting
 - b. September 10, Regular Meeting

Main Motion: To Approve the Agenda, Consent Agenda, and Minutes

Moved by:	S. Combs
Seconded by:	Carrington
Vote:	Unanimous
Action:	Motion Carried

E. COMMUNICATION AND APPEARANCE REQUESTS

- 1. Presentation from Board of Economic Development Chair Dusty Silva

Board of Economic Development Chair Dusty Silva summarized the Board’s 2019 progress and future goals.

Council Member S. Combs requested additional information on annexation. Ms. Dusty Silva stated the Board of Economic Development and Planning and Zoning Commission will have a joint meeting and she will present a briefing to City Council.

Mayor DeVries called a recess at 7:14 p.m. The meeting reconvened at 7:18 p.m.

F. REPORTS

- 1. City Manager’s Report
a. Report on Special Assessments

City Manager Wallace highlighted his written reports.

- 2. City Clerk’s Report

City Clerk Alley highlighted her written report.

- 3. Mayor’s Report

Mayor DeVries highlighted her written report.

- 4. City Attorney’s Report
a. Open Meeting Act Presentation

City Attorney Gatti presented on the Open Meeting Act and public meeting laws.

G. AUDIENCE PARTICIPATION

Mr. Mike Chmielewski spoke about the lack of lighting in the community neighborhoods and the navigation of the website.

Mr. Todd Smolden, Governor Dunleavy’s Mat-Su Office Director, provided an update on Governor’s Office and summarized current DOT projects

H. PUBLIC HEARINGS

- 1. Resolution No. 19-019: Accepting and Appropriating the 2019 State of Alaska Homeland Security Program Grant 20SHSP-GY19 in the Amount of \$49,500.00 to Fund the Purchase of New Portable Radios for the Palmer Police Department

Mayor opened the public hearing on Resolution No. 19-001. Seeing no one come forward to speak and hearing no objection from the Council, the Mayor closed the public hearing.

Main Motion: To Adopt Resolution No. 19-019

Table with 2 columns: Action, Result. Rows: Moved by: S. Combs; Seconded by: L. Combs; Vote: Unanimous; Action: Motion Carried

I. UNFINISHED BUSINESS

- 1. **Ordinance No. 19-011:** Amending Palmer Municipal Code Sections 2.04.041 and 2.05.030 Establishing Council Member and Mayor Term Limits (Pending Motion)

Mayor DeVries stated after further advisement from the city attorney, this matter will need to go to the vote of the people as a Charter amendment. Direction was given to the city clerk to prepare a resolution to place term limits on the October 6, 2020, Regular Election for discussion in January.

Motion to Table: To Table Ordinance No. 19-011 Indefinitely

Moved by:	L. Combs
Seconded by:	Carrington
Vote:	Unanimous
Action:	Motion Carried

J. NEW BUSINESS

- 1. **Action Memorandum No. 19-072:** Selecting Up to Three Members of the Council to Serve as Delegates for the Saroma, Japan Sister City’s 40th Anniversary trip and Authorizing the Purchase of Airline Tickets for Members Selected

City Clerk Alley stated Council needs to vote on items:

- Vote on who will be going from Council;
- Decide how the trip will be paid for from either the Sister City Budget or by personal funds; and
- Payment for travel insurance.

Mayor DeVries announced she was unable to travel to Japan and understood the expectation from Saroma was to send either the Mayor or Deputy Mayor.

Deputy Mayor Linda Combs, Council Member S. Combs, and Council Member Berberich stated they would like to go.

Main Motion: To Approve Action Memorandum No. 19-072

Moved by:	L. Combs
Seconded by:	Valerius

Primary Amendment #1: Amending Action Memorandum No. 19-072, By Selecting Deputy Mayor L. Combs, Council Member Berberich, and Council Member S. Combs to Serve as the City Delegates to Travel to Saroma, Japan; Delegates to Purchase Their Own Tickets and Travel Insurance, and the City Reimburse for the Airline Ticket Only Subject to the Adoption of the 2020 Budget

Moved by:	S. Combs
Seconded by:	Berberich
Vote:	Unanimous
Action:	Motion Carried

Main Motion: To Approve Action Memorandum No. 19-072, as Amended

Vote:	Unanimous
Action:	Motion Carried

K. RECORD OF ITEMS PLACED ON THE TABLE

City Clerk Alley reported the Special Assessment Collection Report was the Item Placed on the Table.

L. AUDIENCE PARTICIPATION

Mr. Mike Chmielewski spoke about his previous visit to Saroma, Japan.

M. COUNCIL MEMBER COMMENTS

No direction given to staff for legislation to be placed on a future agenda.

N. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 9:01 p.m.

Approved this ____ day of _____, 2019.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

Building Department Report
OCTOBER 2019

Permit Type	Count	Total Valuation	Permit Fees Collected	Plan Review Fees Collected
Building Permit	7	\$465,253.00	\$4,627.50	\$516.50
Sign Permit	2	\$1,800.00	\$76.00	
Fence Permit	0	\$0.00	\$0.00	
Totals	9	\$467,053.00	\$4,703.50	\$516.50

TYPE OF PERMITS:

Applicant	Valuation	Type of Work	Permit Fee	Plan Review Fee
Phipps, Dean	\$2,472.00	RES Alteration	\$92.50	
Endle, Brian K.	\$0.00	Temporary Signs	\$0.00	
U-Haul Co. of Alaska	\$60,000.00	COM Alteration	\$794.75	\$516.50
Northern Lily LLC	\$1,800.00	Sign	\$76.00	
Koppana, Eric	\$5,000.00	Storage Shed	\$123.75	
Spinell Homes, Inc.	\$306,467.00	RES New	\$2,395.00	
Stahle, Wade	\$82,092.00	RES New	\$974.00	
Squires, Cory	\$7,222.00	RES Alteration	\$170.50	
Nagata, Carel	\$2,000.00	RES Alteration	\$77.00	

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	103	44	15	\$21,937,140.00	\$120,502.15	
2011	106	25	24	\$7,650,827.00	\$64,758.25	
2012	90	28	12	\$21,012,041.00	\$134,411.25	
2013	86	25	18	\$12,368,593.00	\$91,440.25	
2014	95	31	11	\$16,039,260.00	\$116,769.50	
2015	94	25	13	\$11,246,779.00	\$97,155.75	
2016	83	35	19	\$38,052,802.00	\$200,018.00	\$36,924.25
2017	83	21	17	\$6,054,680.00	\$55,383.35	\$19,777.75
2018	101	30	12	\$17,140,176.00	\$129,448.37	\$50,616.75
2019	102	27	18	\$28,928,522.00	\$169,611.75	\$87,819.75

Radio Free Palmer Inside the City schedule: Public Works Nov 15, Palmer Fire Chief Nov 22, Community Development Dec 6, City Manger Dec 13, Mayor Dec 20



Norma I. Alley, MMC
City Clerk

Phone: (907) 761-1301
Direct: (907) 761-1321
Fax: (907) 761-1340

231 W. Evergreen Ave.
Palmer, Alaska 99645-6952
www.palmerak.org

TO: Palmer City Council
FROM: Norma I. Alley, MMC
SUBJECT: City Clerk's Report for the November 12, 2019, Council Meeting

1. Boards & Commissions Attendance Spreadsheets

The monthly attendance spreadsheets are attached for:

- a. AAC
- b. BED - Cancelled
- c. PRAB - Cancelled
- d. P&ZC

2. Upcoming Events

Below is a list of upcoming events on the City Clerk's Office radar. Please let us know if you are or are not planning on attending one of the events below.

Name of Event	Date	Time	Location
AML Conference	11/20-22		Anchorage
PHS Hockey Opening Night	11/22	6:30	MTA Event Center

Please don't forget to let me know of any other events you are aware of or will be attending.

The Clerk's Office tracks events through the City Clerk's Outlook calendar. Please check your emails for these meeting/event invites.

City of Palmer

Airport Advisory Commission Members

PMC 2.25.020. There is created a city airport advisory commission which shall consist of seven members.

Seat	Board Member	Term Expires
A	Richard Best	Oct. 2019
B	Kenneth More	Oct. 2019
C	Jeff Helmericks	Oct. 2020
D	Andrew Weaver	Oct. 2021
E	Joyce Momarts	Oct. 2020
F	Shannon Jardine	Oct. 2019
G	Liz Swearingin	Oct. 2021

PMC 2.25.140.B. Cause for removal. In addition, a board member may be removed by the council if, during any 12-month period while in office: 1) The board member is absent from three regular meetings without excuse; or 2) The board member is absent from six regular meetings.

2019 Attendance Record

Board Member	Jan **	Feb	Mar	Apr	May	June	July *	Aug	Sept	Oct	Nov	Dec
Best	✓	✓	E	E	✓	✓		E	✓	V		
Helmericks	E	✓	✓	✓	✓	✓		✓	✓	✓		
Jardine	✓	✓	✓	✓	✓	✓		✓	E	✓		
Momarts	✓	✓	✓	✓	✓	✓		✓	✓	✓		
More	✓	✓	✓	✓	✓	✓		✓	✓	✓		
Swearingin	✓	✓	✓	✓	✓	✓		✓	✓	V		
Weaver	✓	✓	✓	E	✓	✓		E	U	✓		

2018 Attendance Record

Board Member	Jan *	Feb	Mar	Apr	May	June *	July	Aug	Sept	Oct	Nov	Dec *
Best											✓	
Helmericks		✓	✓	✓	✓		✓	✓	✓	✓	✓	
Jardine		✓	✓	✓	✓		✓	E	✓	✓	✓	
Momarts		✓	✓	E	✓		✓	✓	✓	✓	✓	
More		✓	✓	✓	✓		✓	E	✓	✓	✓	
Swearingin											✓	
Weaver		✓	✓	E	E		✓	E	E	U	✓	

* Meeting Cancelled

** Special Meeting

✓ - Present

E - Excused

U - Unexcused Absence

V - Vacant

S:\CityClerk\Boards and Commissions\AAC\Attendance Reports\Attendance Report AAC 2019-06.docx

City of Palmer

Planning & Zoning Advisory Commission Members

PMC 2.20.010.A. There is created a city planning and zoning commission which shall consist of seven members who shall be nominated by the mayor and confirmed by the city council. All members must be residents of the city.

Seat	Commission Member	Term Expires
A	Gena Ornquist	Dec. 2020
B	Richard Benedetto	Dec. 2019
C	Sabrina Shelton	Dec. 2021
D	Kristy Thom Bernier	Dec. 2019
E	Dan Lucas	Dec. 2020
F	Casey Peterson	Dec. 2021
G	Josh Tudor	Dec. 2021

PMC 2.20.321.C. Cause for removal. In addition, a commissioner may be removed by the council if, during any 12-month period while in office: 1) The commissioner is absent from three regular meetings without excuse; or 2) The commissioner is absent from six regular meetings.

2019 Attendance Record

Commissioner	Jan	Feb	Mar	Apr **	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Benedetto	✓	✓	✓	E	✓	✓	✓	✓	✓	✓	E		
Lucas	✓	✓	✓	✓	✓	✓	✓	✓	✓	E	✓		
Ornquist	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Peterson	V	V	V	✓	✓	✓	✓	✓	✓	✓	✓		
Shelton										✓	✓		
Thom Bernier	E	E	✓	✓	✓	E	E	✓	✓	E	✓		
Tudor										✓	✓		

2018 Attendance Record

Commissioner	Jan	Feb	Mar *	Apr **	Apr	May	Jun *	Jul	Aug	Sep	Oct	Nov	Dec
Benedetto	E	✓		✓	✓	✓		✓	✓	✓	E	✓	✓
Lucas	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
Ornquist	✓	✓		E	E	✓		✓	E	✓	✓	✓	✓
Thom Bernier	✓	✓		✓	✓	✓		✓	E	E	✓	✓	✓

* Meeting Cancelled
 ** Special Meeting
 ✓ – Present

E – Excused Absence
 U – Unexcused Absence
 V – Vacant

Mayor's Memo

**Council Meeting report for council Meeting
on November 12, 2019**

AML MAYOR'S MTG – NOVEMBER 19

MAYOR/MANAGER NOVEMBER 14

HOCKEY GAME NOVEMBER 22

MOOSE 75TH ANNIVERSARY NOVEMBER 23

HAPPY THANKSGIVING NOVEMBER 28

SMALL SHOP SATURDAY, NOVEMBER 30

We want and value your input and participation.

Edna DeVries Mayor

907-355-9933 edevries@palmerak.org

**City of Palmer
Action Memorandum No. 19-083**

Subject: Directing the City Clerk to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License No. 5854 for Bleeding Heart Brewery, Located at 562 S. Denali Street

Agenda of: November 12, 2019

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



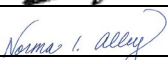
Originator Information:

Originator: Norma Alley, 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: \$ 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. 5854
- Application
- Review Form

Summary Statement/Background:

Bleeding Heart Brewery has applied for a new 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 packet publication, the City Clerk's Office 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. 19-083 directing the City Clerk to notify the State of Alaska of the City Council's statement of non-objection to Liquor License No. 5854 for Bleeding Heart Brewery, located at 562 S. Denali Street



October 2, 2019

City of Palmer
Attn: City Clerk
Via Email: cityclerk@palmerak.org
Cc: adam.bradway@matsugov.us

License Type:	Brewery	License Number:	5854
Licensee:	Bleeding Heart Brewery, LLC		
Doing Business As:	Bleeding Heart Brewery		
Premises Address:	562 S. Denali St		

- New Application**
 Transfer of Ownership Application
 Transfer of Location Application
 Transfer of Controlling Interest Application

We have received a completed 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 protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant’s proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board
Form AB-00: New License Application

What is this form?

This new license application form is required for all individuals or entities seeking to apply for a new liquor license. Applicants should review Title 04 of Alaska Statutes and Chapter 304 of the Alaska Administrative Code. All fields of this form must be completed, per AS 04.11.260 and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to be licensed.

Licensee:	Bleeding Heart Brewery LLC		
License Type:	Brewery	Statutory Reference:	AS 04.11.130
Doing Business As:	Bleeding Heart Brewery		
Premises Address:	562 S Denali St		
City:	Palmer	State:	AK ZIP: 99645
Local Governing Body:	City of Palmer		
Community Council:			

Mailing Address:	1150 S. Colony Way Ste #3 PMB 618		
City:	Palmer	State:	AK ZIP: 99645

Designated Licensee:	Zack Lanphier		
Contact Phone:	760-917-2417	Business Phone:	Same
Contact Email:	Zack@bleedingheartbrewery.com		

Seasonal License? Yes No If "Yes", write your six-month operating period: _____

OFFICE USE ONLY			
Complete Date:	License Years:	License #:	5854
Board Meeting Date:	Transaction #:		1091001
Issue Date:			





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 2 – Premises Information

Premises to be licensed is:

- an existing facility a new building a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

[Empty text box for school distance]

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

[Empty text box for church distance]

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 4.

If more space is needed, please attach a separate sheet with the required information.

The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	



Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 4 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 5.

If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, the following information must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

Entity Official:	Stefan Marty Jr				
Title(s):	Member	Phone:	907-775-8515	% Owned:	50
Address:	305 N. Valley Way Apt. D4				
City:	Palmer	State:	AK	ZIP:	99645

Entity Official:	Zack Lanphier				
Title(s):	Member	Phone:	760-917-2417	% Owned:	50
Address:	2760 E. Wanamingo Dr				
City:	Wasilla	State:	AK	ZIP:	99654

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	



Alaska Alcoholic Beverage Control Board
Form AB-00: New License Application

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	10025313	AK Formed Date:	12/09/2014	Home State:	AK
Registered Agent:	Zachary Lanphier	Agent's Phone:			
Agent's Mailing Address:	2760 E. Wanamingo St.				
City:	Wasilla	State:	AK	ZIP:	99654

Residency of Agent: Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?

Section 5 - Other Licenses

Ownership and financial interest in other alcoholic beverage businesses: Yes No

Does any representative or owner named in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

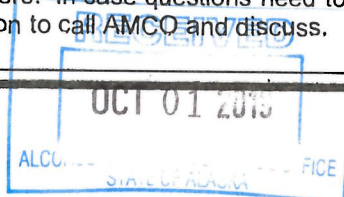
Section 6 - Authorization

Communication with AMCO staff: Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:

Amber Lanphier - Wife of one of the LLC Members. In case questions need to be answered or asked and either partner is unavailable, Zack's wife has permission to call AMCO and discuss.





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 7 - Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

I certify that all proposed licensees have been listed with the Division of Corporations.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee
Zack Lanphier

Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of Alaska



My commission expires: 12-01-2021

Subscribed and sworn to before me this 1 day of August, 2019.



RECEIVED
Anchorage
OCT 01 2019
CBPL
cc 25 - *Smj*

Corporations Section
State Office Building, 333 Willoughby Avenue, 9th Floor
PO Box 110806, Juneau, AK 99811-0806
Phone: (907) 465-2550 • Fax: (907) 465-2974
Email: corporations@alaska.gov
Website: Corporations.Alaska.Gov

Statement of Change

Domestic Limited Liability Company (AS 10.50)

- This Statement of Change form for Registered Agents or Registered Agent Address Changes is only for Domestic Limited Liability Companies.
- The Statement of Change will not be filed if the official signing this form does not match an official on record for this entity and/or if your entity's biennial report is not current. To verify your entity information on record, go online to Corporations.Alaska.Gov, *Search Corporations Database*
- Standard processing time for complete and correct filings submitted to this office is approximately 10-15 business days. All filings are reviewed in the date order they are received.
- The information you submit is a public record and will be posted on the State's website.

1. Important:

AS 10.50.055-.065

Per AS 10.50.055, each Domestic Limited Liability Company shall (must) continuously (without interruption) maintain in this state (Alaska) a registered agent AND a registered office (with an Alaskan physical location and an Alaskan mailing address) for the purpose of a registered agent's statutory requirements to receive service of processes, notices, or demands required or permitted by law to be served upon the limited liability company.

Failure to meet registered agent requirements could result in involuntary dissolution of the entity's authority to transact business in the State of Alaska. — AS 10.50.408(a)(2),(3)

For more registered agent information go to Corporations.Alaska.Gov, *Registered Agents FAQs*.

2. Fee:

\$25 Nonrefundable Filing Fee (CORF)

3 AAC 16.065(b)

Mail this form and the non-refundable \$25 filing fee in U.S. dollars to the letterhead address. Make the check or money order payable to the State of Alaska, or use the attached credit card payment form.

3. Entity Information on Record with the State:

AS 10.50.060(1)

Entity Name:

BLEEDING HEART BREWERY LLC

Alaska Entity Number:

10025313



4. PREVIOUS Registered Agent Information on Record with the State:

AS 10.50.060(2), (4)

PREVIOUS Registered Agent Name: UNITED STATES CORPORATION AGENTS, INC

PREVIOUS Registered Agent Addresses:

→ PHYSICAL Address: 310 K STREET SUITE 200

City: ANCHORAGE

State: AK (mandatory)

ZIP Code: 99501

→ MAILING Address: SAME AS ABOVE

City:

State: AK (mandatory)

ZIP Code:

5. NEW Registered Agent Information to be Updated with the State:

AS 10.50.060(3), (5)

NEW Registered Agent Name: ZACHARY LAUPHIER

(Registered agent cannot be the entity listed in Item 3 on Page 1 and cannot be an LLC)

If the new Registered Agent is an entity, provide its entity number: N/A

NEW Registered Agent Addresses:

→ PHYSICAL Address: 2760 E. WANAMINGO ST

City: WASILLA

State: AK (mandatory)

ZIP Code: 99654

→ MAILING Address: SAME AS ABOVE

City:

State: AK (mandatory)

ZIP Code:

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CBPL

6. Authorization per Alaska Statute:

AS 10.50.060(6)

The registered agent change was authorized by the company's manager, or, if the company is not managed by a manager, by the members. Per AS 10.50.860, a limited liability company is to keep and make available the record of the resolution.

7. Required Signature:

AS 10.50.840

The Statement of Change must be signed by: a member (per AS 10.50.840.(a)(2)) or a manager (per AS 10.50.840(a)(1)) currently on record; or an attorney-in-fact (per AS 10.50.840(c)). Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Signature: [Handwritten Signature]

Date: 10/01/19

Printed Name: ZACHARY NATHAN LAUPHIER

Title of Authorized Signer: Member

Manager

Attorney-in-fact

If signing on behalf of a member or manager which is an entity, then identify signer's relationship and signing authority with the member entity. For example: John Smith, President of XYZ Inc. the sole member of ABC LLC.

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ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



THE STATE
of **ALASKA**

Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

COR

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Corporations Section

State Office Building, 333 Willoughby Avenue, 9th Floor
PO Box 110806, Juneau, AK 99811-0806
Phone: (907) 465-2550 • Fax: (907) 465-2974
Email: corporations@alaska.gov
Website: Corporations.Alaska.Gov

Contact Information

- Return this form with your filing
- This information may be used by the Division to assist with processing your attached filings
- This form will not be filed for record, or appear online

Entity Information		Enter your entity information as it appears on this filing.
Entity Name:	BLEEDING HEART BREWERY LLC	
AK Entity #:	10025313	

Contact Person		Whom may we contact with any questions or problems with this filing?
Company:	BLEEDING HEART BREWERY	
Contact:	ZACK LAW PALMER	
Mailing Address:	Address	1150 S. COLONY WAY STE # 3 PUB 618
	City	AK PALMER State AK ZIP 99645
Phone:	760-917-2417	
Email:	ZACK@BLEEDINGHEARTBREWERY.COM	

Document Return Address		Provide an address for the return of your filed documents.
<input checked="" type="checkbox"/> Return my filings to the address provided ABOVE <input type="checkbox"/> Return my filings to this address provided BELOW		
Company:		
Contact:		
Mailing Address:	Address	
	City	State ZIP

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OCT 01 2019
ALCOHOL AND GAMING SERVICE OFFICE
STATE OF ALASKA



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

What Is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Bleeding Heart Brewery LLC	License Number:	5439-5854		
License Type:	Brewery				
Doing Business As:	Bleeding Heart Brewery				
Premises Address:	562 S Denali St				
City:	Palmer	State:	AK	ZIP:	99645





Alaska Alcoholic Beverage Control Board
Form AB-02: Premises Diagram

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, consumption, and manufacturing. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.

Secured Outdoor Tasting
Area 20'X100'

Secured Connex
Storage

Alaska Picker

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ALCOHOL REGULATORY CONTROL OFFICE
STATE OF ALASKA

8"
Fence
ADSA
w/
Secured
Cover

ZZ

BACK FENCE

10x20 LOCKED
COLD CONNEX
*STORAGE

DRY *STORAGE
12x40

Glass washer/Hand sink

laps
*SERVED

Back exit/ emergency

Separating Pony wall

Storage

Storage

~~MANUFACTURING~~

Brewhouse

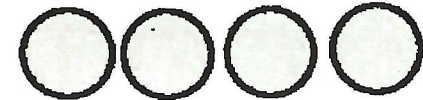
Seating Area

employee opening

Brewing area

Full Dimensions of leased Interior - 50ft x 33ft

*CONSUMED



Ferms/Brites

Keg Washer



Mop Sink

Restroom

employee opening

Main Entrance

outdoor seating access

Prep Area

STATE OF ALASKA
ALCOHOL BEVERAGE CONTROL OFFICE
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SEP 25 2019

SEP - 3 2019

AMCO

E Dogwood Ave

E Dogwood Ave

E Dogwood Ave

E Dogwood Ave

E Dogwood Ave

S Denali St

S Denali St

S Denali St

E Dahlia Ave

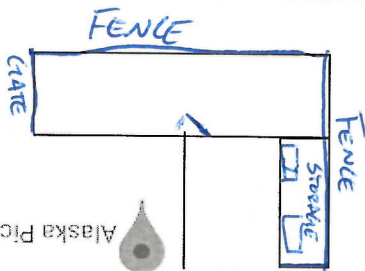
E Dahlia Ave

Port Mac Kenzie
Port Director

Matanuska
Brewing Company

Alaska Picker

DRIVE WAY



Security Plan:

Outdoor seating area will be available for consumption on very busy days with the following security measures.

- **Windows to observe patrons and consumption in outdoor seating.**
- **8ft security wooden fence on south facing side of outdoor seating**
- **8ft chain fence on west side with shared fence to secure cold connex box**
- **8ft wooden secure gate for deliveries at east side of outdoor seating**
- **Exterior wall of building on north side of tasting area**
- **Staff outside monitoring consumption**
- **Multiple cameras streaming to staff members access inside.**
- **Limiting amount of accompanied minors allowed outside if staff is not available to monitor or close the outside entirely if low staffed.**



City of Palmer • Liquor License Review Form

BUSINESS NAME: Bleeding Heart Brewery, LLC **OWNER:** Zack Lanphier
LICENSE TYPE: Brewery
LOCATION: 562 S. Denali Street

Route to: Department of Finance

Department of Finance

Sales Tax Current: Yes No

If no, explain: Not applicable

Utilities Current: Yes No

If no, explain: Not applicable

Special Assessments Current: Yes No

If no, explain: Not applicable

Other Comments:
No City of Palmer business license



Finance Director

October 15, 2019

Date

Route to: Department of Community Development

Department of Community Development

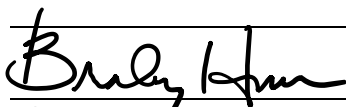
Code Compliant: Yes No

If no, explain: _____

Fire Compliant (Plans Review): Yes No

If no, explain: No building permit application has been submitted at this time.

Other Comments:



Community Development Director

October 15, 2019

Date

Route to: Police Department

Police Department

Code Compliant: Yes No

If no, explain: _____

Other Comments: _____



Chief of Police

10-15-19
Date

Route to: City Manager's Office

City Manager's Office

Citizen Comments: Yes No

If yes, explain: _____

Other Comments:
Liquor license is not dependent on building permit at this time. Occupancy permit will be issued once building is remodeled and all inspections have been completed.



City Manager

10/15/19
Date

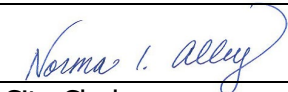
Route to: City Clerk's Office

City Clerk's Office

Citizen Comments: Yes No

If yes, explain: _____

Other Comments: _____



City Clerk

October 15, 2019
Date

FORWARD TO COUNCIL FOR AGENDA OF: November 12, 2019

**City of Palmer
Action Memorandum No. 19-084**

Subject: Approve a Council Community Grant in the Amount of \$1500.00 to the Greater Palmer Chamber of Commerce to support Small Business Saturday (SBS) in Palmer on November 30, 2019


Agenda of: November 12, 2019

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




Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		10/21/19
_____	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: \$ **1500.00**

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
X	Creates expenditure in the amount of:	\$ <u>1500.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

X	Budgeted	Line item(s): <u>01-02-10-6068</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- 2019 Grant Application
- 2019 Scoresheet

Summary Statement/Background:

The Greater Palmer Chamber of Commerce is requesting a \$1,500 grant to help finance marketing for 2019 Small Business Saturday, November 30, 2019. Grant funds will be used to pay for print, radio and social media advertising for Small Business Saturday (SBS).

This event has been sponsored in the past in amounts up to \$1,500 dollars thru Sea Star Strategies, Neighborhood Champions, and the Greater Palmer Chamber of Commerce.

SBS received \$1,500 in grant funding from Palmer in 2018.

In February 2014, the City Council adopted Ordinance No. 14-043, which established the Council Community Grant program. The Council also approved \$15,000.00 in the Community Council Grants line item for 2019 that would finance approved Council grants.

Legislation #	Organization	Amount	Date Approved
AM 19-019	YAK renovations	\$5000	Feb 12
AM 19-027	Green Day Gallop Marathon	\$2000	Feb 26
AM 19-032	PMHA Midsummer Garden & Art Faire	\$2000	Mar 12
AM 19-033	Mat Su Runners WLTRO	\$2000	Mar 12
AM 19-042	Spring Classic 2019	\$1000	Apr 9
AM 19-046	Tractor to Work Breakfast	\$475	Apr 23
AM 19-075	Palmer High Student Gov't		
AM 19-076	Fall Harvest Festival		
Total 2019 Grants approved prior:		\$12,475	

Administration's Recommendation:

To approve Action Memorandum No. 19-084 for a Council Community Grant to the Greater Palmer Chamber of Commerce to support Small Business Saturday (SBS) in Palmer on November 30, 2019

City of Palmer • City Manager's Office

231 W. Evergreen Avenue • Palmer, AK 99645

Phone: 907-745-3271 Fax: 907-745-0930

Council Community Grant

The City of Palmer recognizes the valued contributions being provided through the volunteer efforts of community organizations, agencies, and individuals on behalf of its citizens. Community grant funding demonstrates Council's commitment to programs, services, projects and events that are benefits to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding.

The objectives of the City of Palmer Council Community Grant are:

- to provide modest levels of support and assistance to help foster and develop community programs, services, projects, and events that enhance the greater Palmer community's cultural and economic environment; and
- to treat all organizations fairly and consistently while creating a minimal administrative process.

Applicant eligibility

Preference will be given to organizations and groups that demonstrate Palmer community support and that propose a program, service, project or event (event) having the potential for positive economic and cultural impacts and that show evidence of efficient use of resources, sound business practices/accountability, and describe the organization's or group's knowledge, skills and self-reliance.

An applicant organization must meet the following general criteria in order to be considered for a Council Community grant:

1. Program, service, project or event must primarily benefit the community and residents of Palmer.
2. Program, service, project or event has City wide significance and is expected to bring economic and/or public relations benefit to the City.
3. Grant applicants should be able to demonstrate active fundraising efforts to support the continuation of the program, service, project or event. The City grant should not be considered as the primary source of funding for the organization.
4. Funding requests can be defined as programs, services, projects and events that economically benefit Palmer by supporting, sustaining, promoting, informing, educating, celebrating, preserving and/or providing access to the arts, culture, environment, heritage, recreation and/or health activities.
5. To qualify for funding, the group must demonstrate its commitment to all of the following principles:
 - a. Program, service, project or event is open – accessible – to all members of the community;
 - b. Program, service, project or event must take place within the Palmer city limits or within one mile of the city limits;
 - c. Program, service, project or event is effective in providing an economic benefit to Palmer;
 - d. applicant is accountable through sound management and financial practices;
 - e. Individuals are not eligible.

City of Palmer • City Manager's Office
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: 907-745-3271 Fax: 907-745-0930

Council Community Grant Application

Program, service, project or event title: Small Business Saturday
Date(s) of program, service, project or event: Saturday, November 30, 2019

Applicant Information

Name: Ailis Vann
Address: P.O. Box 45
City: Palmer State: AK Zip: 99645
Phone: 907-745-2880 Email: director@palmerchamber.org

Organization Information

Name of organization/group: Greater Palmer Chamber of Commerce
Type of organization: Non-profit Volunteer community group Other

Funding Request

Amount of Request: \$ 1,500.00
Matching funds provided by applicant: \$ 1,500.00

Project Summary Information

In the space below, provide a concise, on paragraph summary of your proposed program, service, project or event and how it promotes economic development for the City of Palmer.
Small Business Saturday (SBS) is a nationwide event that was founded by American Express in 2010. It's a way to help locally owned small (less than 100 employees) generate revenue through the holidays. 2019 will be year 6 of Palmer participating. The GPCC will work with our local small businesses on creating a fun filled event that highlights and promotes all of the amazing offerings our town has. We will facilitate advertising, marketing, and scheduling to help ease the burden from these 1-2 employee shops.

Project Scope of Work

Please list the steps to be taken to conduct the program, service, project or event. Be sure to address issues such as: beginning and ending date, who will work to conduct the event/project, clean-up team, where is the project going to occur (location).

The GPCC team will coordinate the distribution of marketing materials, promotion, and execution of the event. Banners will be hung around town, with City approval, two weeks prior to the event and the City will be recognized as a sponsor.

Eligibility

Describe how your program, service, project or event meets the eligibility guidelines.

The Chamber's mission is to support local businesses and help them thrive. There is tangible economic benefit to this program. You can see the hustle and bustle and the excitement in the shops throughout town as people come out and support their friends and neighbors. The event is open to businesses with less than 100 employees. SBS will be held primarily within City limits, but we may have participating businesses in the Greater Palmer area. This is usually the highest grossing sales day of the year for our small businesses.

Matching Funding Source

Describe source of matching funding. Have alternate sources of funding been explored?

In-kind services will be provided by the GPCC and community members. We anticipate that these in-kind services will match or exceed the amount of the community grant. Funds will be used for print, radio, and social media advertising, as well as printing materials and other supplies. The GPCC will process payments to vendors.

Community Benefit

Please indicate how the results of your program, service, project or event will enhance economic development or generally benefit the City of Palmer. Describe the expected number of participants to be attracted by the event or project. Please explain how your organization will evaluate the community benefit of your event. Examples might include surveys, registrations, sign-in sheets, number of people served, etc.

Palmer loves its small businesses and this is illustrated by the success of programs and events such as this. SBS is a day you don't want to miss in Palmer. The streets are filled with happy shoppers and you can feel the community and holiday spirit. There are direct economic benefits for the City and its retailers and the event is capped off by a wonderful fireworks show from one of our local business owners.

Detailed Budget

Revenue:

Source:	Cash	In-Kind	Total
City of Palmer grant	\$ 1,500.00	\$	\$ 1,500.00
GPCC & community	\$	\$ 1,500.00	\$ 1,500.00
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Totals	\$ 1,500.00	\$ 1,500.00	\$ 3,000.00

Expenditures:

Item/Service:	Cash	In-Kind	Total
Radio	\$ 600.00	\$ 800.00	\$ 1,400.00
Print	\$ 600.00	\$ 700.00	\$ 1,200.00
Social Media	\$ 100.00	\$	\$ 100.00
Supplies	\$ 200.00	\$	\$ 200.00
	\$	\$	\$
Totals	\$ 1,500.00	\$ 1,500.00	\$ 3,000.00

Applications may be submitted at any time to the address listed above. Please allow at least six weeks lead time for application review and City Council agenda scheduling.

Applicant signature: Ailis Vann

Date: 10/21/2019

For Office Use Only

Date received by Manager's Office: _____

City Council agenda date: _____

Action Memorandum No.: _____

City Council: Approved Denied

Date Manager's Office notified applicant of request outcome: _____

Project Name: Small Business Saturday

Reviewer Name: Nathan Wallace

Date: 10/21/2019

Qualification Pre-Check

All items listed below must be present before further review of application.

X Event must be accessible to all members of the community.

Event must take place within Palmer city limits or within one mile of city limits.

Event has received funding from the City in the past. List the years funding was received: \$1000–2016/\$1200–2017/\$1500 2018

☒ If event was supported by a City grant in the past, the post event report from the previous event is complete.

	Application Elements	Expectations	Points Earned	
	10 pts	7 pts.	3-0 pts	
Accessibility & Strategic Priorities	The application clearly states the economic benefits and the reader/evaluator easily understands the benefits to the community and residents of the City.	The application states the benefits, however it is not clear and/or the reviewer/evaluator must assume or use reason to determine the benefits to the community and residents of the City.	The application does not clearly demonstrate the benefits and/or the reader/evaluator cannot determine through reasoning the benefits to the community or residents of the City.	10
	The application clearly addresses how the project meets one or more of the City's Economic Development Strategic Priorities.	The application attempts to address how the project meets one or more of the City's Economic Development Strategic Priorities; however, the reviewer/evaluator must assume or use reason to determine how the project is addressing a strategic priority(s).	The application does not clearly demonstrate how the project is addressing a strategic priority and/or the reader/evaluator cannot determine through reasoning how the project is addressing a strategic priority.	10
Fiscal	The application clearly states how much financial or in-kind services are being requested for the project.	The application contains information regarding financial and/or in-kind services as part of the project; however, it is not clear and the reviewer/evaluator must assume or use reason to determine what is being requested.	The application does not clearly state what is being requested and/or the reviewer/evaluator cannot determine through reasoning.	10
	The application includes a project budget which demonstrates sound fiscal practices and reviewer/evaluator can easily understand.	The application includes a project budget; however, the reviewer/evaluator has questions or has to use reason to understand the overall budget for the project.	The application does not include a project budget or the reviewer/evaluator cannot understand and/or has significant concerns about the budget as presented.	7
Benefit	The application clearly states how the community will benefit as a result of the event.	The application states the degree of benefits; however, it is not clear and the reviewer/evaluator must assume or use reason to determine the how the community will benefit as a result of this grant.	The application does not clearly demonstrate the degree of benefits and/or the reviewer/evaluator cannot determine the how the community will benefits as a result of this grant.	7
Reporting	The application clearly states how and when the City will receive a post event report on this project.	The application attempts to address how a post event report will be given to the City; however it is unclear and the reviewer/evaluator must assume or use reason to determine how and when the report will be presented.	The application does not attempt to address how a post event report will be given to the City or the reviewer/evaluator cannot determine how the report will be presented.	3
			Total:	47/60

**City of Palmer
Action Memorandum No. 19-085**

Subject: Approval of a City Council Member to Serve on the Alaska Municipal League Board of Directors for a Term Starting November 2019

Agenda of: November 12, 2019

Council Action: **Approved** **Amended:** _____
 Denied

Originator Information:

Originator: Norma I. Alley, City Clerk

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u> X </u>	Finance	<u><i>[Signature]</i></u>	<u>10/22/19</u>
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u><i>[Signature]</i></u>	_____
City Attorney	<u><i>[Signature]</i></u>	_____
City Clerk	<u><i>Norma I. Alley</i></u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **3,700.00 per position**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 3,700.00 per position
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-02-10-6024
- Not budgeted

Director of Finance Signature: *[Signature]*

Attachment(s):

- AML Board Election Webpage

Summary Statement:

The Alaska Municipal League (AML) Board of Directors is comprised of several positions. Up for election this year, which a Palmer Council member can apply for, is Second Vice-President or Director At-Large. Per the AML Articles of Incorporation Article VI, Section 4, the position's terms are as follows:

- Second Vice-President is a four-year term (succeeds to the position of First Vice-President, President, and Immediate Past President);
- Director At-Large is a one-year term.

The City is financially responsible to ensure the Board Member is physically present at their February, August, and November meetings. AML pays for attendance at the May meeting. The estimated cost associated with attending the February, August, and November meetings are as follows:

- February in Juneau = \$1,100.00
- August in Fairbanks North Star Borough = \$1,500.00
- November in Anchorage = \$1,100.00

It is proposed in the 2020 Mayor/Council/Clerk Budget to send members of the Council to each of these meetings. Pending approval of the budget, travel to all these meetings will be budgeted.

The City Council may support a member from amongst its membership to serve in one or more of these positions.

AML Board Elections

2019 Annual Conference

2020 Board Of Directors Elections – Declaration of Candidacy

[AML 2020 Board Declaration of Candidacy Application.pdf](#) – Updated 10/04/2019

AML officers and members of the Alaska Municipal League Board of Directors are elected each year at the Annual Meeting by the entire membership. The Board of Directors is the governing body of the League and directs the administration and policy of the AML throughout the year on behalf of the members.

Notice is hereby given that Election of Officers and Directors will be held at the Annual Meeting of the Alaska Municipal League on November 22, 2019, for the election of:

Second Vice – President

Second Vice-President for a one-year term, with automatic succession to First Vice-President and President, to be elected at large by the qualified member municipalities of the League.

NOTE: Article II, Section 3, of the AML Bylaws specifies that the "President, Vice Presidents, and Immediate Past President shall be chosen from different director districts.

Therefore, nominees for First and Second Vice-President positions cannot be from: District 3 – Kenai Peninsula, District 4 – Matanuska-Susitna Borough or District 5 -Anchorage

AML Districts

Five (5) directors for two-year terms to be elected by the qualified member municipalities of the League from each of the following districts:

District 1: Southeast (except Juneau)

District 3 – Kenai Peninsula

District 5 -Anchorage

District 7 – Fairbanks

District 9 – Interior Rivers, Lower Kuskokwim

District 10 – Bristol Bay, Aleutians, Kodiak Island – (one year – due to vacancy)

Director At-Large

One (1) director for a one-year term to be elected at-large by the qualified member municipalities of the League from any of the ten director districts.

National League of Cities (NLC) Representative (two-year term) Must be a NLC member.

Qualification of Candidates

A candidate for officer or a director position must be a mayor or an elected member of the governing body of the individual's member municipality.

Method of Nomination

Nomination of an eligible candidate must be made by filing a "Declaration of Candidacy and Financial Commitment" form prior to the meeting of the Nominations Committee. Candidates may also be nominated from the floor at the annual meeting.

Deadline for 2020 BOD Declaration of Candidacy

Declaration of Candidacy forms must be returned to the AML office via mail or fax by 4:30 p.m. Thursday 11/12/19, or by hand no later than 5:00 p.m. Wednesday 11/20/19 at the Annual Conference registration desk. Declarations of Candidacy form can be download above or you can call the AML office at 1-877-636-1325.

Norma Alley

From: Nils Andreassen <nils@akml.org>
Sent: Thursday, October 31, 2019 8:49 AM
To: Norma Alley
Subject: Board and Legislative Committee Recruitment



AML is recruiting for board and legislative committee members

Join a dynamic team working to strengthen Alaska's local governments

Each year, AML recruits members to its Board of Directors and participants for our Legislative Committee. The Board of Directors helps shape AML's organizational and strategic goals, policy agenda, and member services. The Legislative Committee contributes to AML's legislative advocacy, providing input into our position statement and review of legislation.

Board of Directors

- Elected to a two-year term (for most seats)
- Quarterly in-person meetings
- Weekly calls during the legislative session
- Regular communication about activities of organization
- Sets AML's policy priorities and agenda
- Fiduciary responsibility and governance
- Open to elected officials
 - Second Vice President
 - NLC Representative
 - Director - Southeast
 - Director - Kenai Peninsula
 - Director - Anchorage
 - Director - Fairbanks
 - Director - Interior Rivers, Lower Kuskokwim
 - Director - Bristol Bay, Aleutians, Kodiak (one year due to vacancy)
- [Application](#) due by November 12 to nils@akml.org or by November 20 at 5pm, (delivered by hand at Annual Conference)

- Reviewed by Nominations Committee on November 20
- Candidate intros on November 21
- Elections occur on November 22

Legislative Committee

- Helps us review legislation to identify municipal impacts
- Encouraged to attend in-person meetings at annual events
- Encouraged to attend weekly calls during the legislative session
- Regular communication with requests for feedback and input
- Contributes to AML's position statement
- Open to elected officials and municipal employees
- [Application](#) due by November 29 to nils@akml.org
- Approved by Board of Directors by December 15

We encourage your consideration and look forward to a great team of committed and engaged representatives.



AML | One Sealaska Plaza, Suite 200, Juneau, AK 99801

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**City of Palmer
Resolution No. 19-020**

Subject: Authorizing the City of Palmer to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Sellers Sales Tax Code

Agenda of: November 12, 2019

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



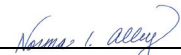
Originator Information:

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: \$ _____

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):

- Resolution No. 19-020
- Online Sales Tax Background and FAQ
- "Making the case for a coordinated municipal response to online merchants collecting local sales tax in Alaska"
- Alaska Intergovernmental Remote Seller Sales Tax Agreement
- Addendum A- Remote Sellers Sales Tax Code & Common Definitions (Draft)
- Bylaws of the Alaska Remote Sales Tax Commission (Draft)

Summary Statement/Background:

The U.S. Supreme Court on June 21, 2018, upheld the state of South Dakota's right to require online sellers to collect and remit sales tax on orders delivered into the state. The 5-4 decision effectively overturned a Supreme Court decision from 1992 that went against the state of North Dakota. The 2018 case is South Dakota vs. Wayfair (a nationwide online retailer of furniture and home goods).

In June 2018, the Alaska Municipal League (AML) has researched potential paths to assist municipalities, in a collective effort to advance implementation. This included raising funds to support research, contracting, and establishing a municipal-driven online sales tax program. The Palmer City Council approved Action Memorandum 19-021, February 12, 2019 by contributing \$5,000 in support of this effort.

The next steps require the formation of the Alaska Remote Sales Tax Commission. Palmer City Council would be required to adopt by Resolution the "Alaska Intergovernmental Remote Seller Sales Tax Agreement". This agreement provides authorization to commit to and participate in the formation of the Alaska Remote Sales Tax Commission. It provides for the City of Palmer to have a seat at the table.

Also included for reference is "Addendum A - Remote Seller Sales Tax Code & Common Definitions (DRAFT)". This is included here as it is reference within the Agreement. The Palmer City Council will, at a later date, be requested to adopt by ordinance "Addendum A - Remote Seller Sales Tax Code & Common Definitions" and would potentially become effective by reference in Palmer Municipal Code 3.16 Sales Tax.

The "Bylaws of the Alaska Remote Sales Tax Commission" are attached for reference. This document provides for the formation, board members, meetings, etc. and as the commission, will adopt the bylaws at a later date.

Other documents included is the "Online Sales Tax - Background and FAQ". This document provides answers to many of the questions that have been raised since the AML project began. Additionally, provided is the document "Making the case for a coordinated municipal response to online merchants collecting local sales tax in Alaska".

Administration's Recommendation:

Approve Resolution No. 19-020 Authorizing the City of Palmer to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Sellers Sale Tax Code.

LEGISLATIVE HISTORY

Introduced by: City Manager
Date: November 12, 2019
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Resolution No. 19-020

A Resolution of the Palmer City Council Authorizing the City of Palmer to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Sellers Sales Tax Code

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska in response to orders placed electronically by consumers with remote sellers, 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 broad-based tax, and sales tax revenues are essential in funding the provision of services by local governments; and

Whereas, the failure to collect tax on remote sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the state or cities and boroughs but still sell their goods and services to their consumers, something that becomes easier and more prevalent as technology continues to advance; 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 is a growing problem that is likely to only worsen in the near future; 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 generally, as well as local infrastructure; 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, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the state of Alaska or within the [taxing jurisdiction], but do have a taxable connection with the state of Alaska and [the taxing jurisdiction]; and

Whereas, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

Whereas, in order to implement a single-level statewide sales tax administration, it is the intent of local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the "Commission"); and

Whereas, the function and powers of the Commission will be set forth under the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the "Agreement"), a cooperative agreement between Commission members; and

Whereas, under the terms of the Agreement, in order to maintain membership in the Commission, the City of Palmer will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote seller; and

Whereas, the uniform remote sales tax code will be presented to the City of Palmer City Council for consideration once adopted by the Commission; and

Whereas, once adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

Whereas, the intent of the Agreement is to enable Alaska's taxing jurisdictions to levy their municipal sales tax to the maximum limit of federal and state constitutional doctrines.

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

Section 1. Authorization. The Palmer City Council authorizes the City Manager to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission.

Section 2. Representation. The Palmer City Council authorizes the City Manager to designate the City of Palmer's representative on the Commission.

Section 3. Scope of Agreement. The Alaska Intergovernmental Remote Seller Sales Tax Agreement is included as Attachment A.

Approved by the Palmer City Council this ____ day of _____, 2019.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

Online Sales Tax – Background and FAQ

How did the June 2018 U.S. Supreme Court decision change the sales tax world?

The U.S. Supreme Court on June 21, 2018, upheld the state of South Dakota’s right to require online sellers to collect and remit sales tax on orders delivered into the state. The 5-4 decision effectively overturned a Supreme Court decision from 1992 that went against the state of North Dakota. The 2018 case is South Dakota vs. Wayfair (a nationwide online retailer of furniture and home goods).

What were the issues in the court case?

In its ruling, the Supreme Court noted that the South Dakota Legislature had determined “that the inability to collect sales tax from remote sellers was ‘seriously eroding the sales tax base’ ... causing revenue losses and imminent harm.”

The court explained, “The central dispute is whether South Dakota may require remote sellers to collect and remit the tax without some additional connection to the state,” such as an office or warehouse or employees. And although the 1992 decision against North Dakota commented that requiring remote sellers to collect and remit sales tax “might unduly burden interstate commerce” without such a physical or legal connection, called nexus, the court’s 2018 decision found otherwise. “The administrative costs of compliance, especially in the modern economy with its Internet technology, are largely unrelated to whether a company happens to have a physical presence in a state,” the Supreme Court said in its 2018 decision.

Allowing online sellers to avoid collecting sales taxes “has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state’s consumers,” the court added.

In its order, the Supreme Court said it overruled the 1992 decision because it was “unsound and incorrect.”

Does the court decision require online sellers to collect sales tax?

No, it does not require online merchants of goods and services to do anything unless a state’s sales and use tax is written to apply to online orders (remote merchants). If a state chooses not to extend its sales and use tax to online orders, the Supreme Court decision does not require merchants to voluntarily collect and remit the tax. The decision is up to each state.

Does the court decision apply to municipalities?

No, not exactly, not directly. The word “municipality” appears nowhere in the Supreme Court decision. The case, the briefings, the discussion and the order focused solely on state sales and use tax. But, the same reasoning, the same legal questions likely would apply to municipal sales taxes: Are they discriminatory against interstate commerce, do they pose an undue burden on interstate commerce, are they administered fairly to all parties. As Alaska is the only state that allows municipal sales taxes without an overriding set of rules in a state sales tax, Alaska is unique.

What are the challenges for Alaska municipalities?

Without a clearly defined set of legal standards in the court decision for municipalities, Alaska cities and boroughs have to make their best legally educated guess at what set of tax definitions, rules, exemptions and administrative procedures would be needed to replicate and adhere to the intent of the court opinion allowing taxation of online sales. Such as, no undue burden on interstate commerce, no retroactive taxation, and a system that standardizes tax rules to reduce administrative and compliance costs for remote merchants. There is no checklist of what will work or what is not allowed — Alaska municipalities will have to set their own trail.

What's the path forward for Alaska municipalities that want to collect taxes on online sales?

A coordinated approach is best. In fact, it's probably the only way to succeed. It's hard to imagine that a large, nationwide online merchant, a small remote seller — or a court, in the event of a legal challenge — would accept dozens of municipal codes, each with its own unique set of definitions, administrative rules, limits and exemptions as an acceptable system that standardizes taxes to reduce administrative and compliance costs. In fact, they have communicated that they wouldn't.

By working together, Alaska cities and boroughs stand the best chance of crafting a workable sales tax structure that serves local needs while establishing a legally secure path to collecting municipal taxes from online sales.

What is the Alaska Municipal League doing to help?

The Alaska Municipal League established a working group in 2018 to explore the best answers for bringing Alaska cities and boroughs into the world of collecting tax revenue from online sales. AML is looking into the legal issues, software and administrative costs, including the option of contracting with a third-party vendor with experience in state sales taxes to handle the collection and distribution of tax remittances from online merchants. AML has provided frequent updates on its progress to its members, with reports at the board meeting in Anchorage in May, the summer meeting in Soldotna in August, and a final review at the general membership meeting in Anchorage in November.

The idea is that AML would establish a cooperative effort — entirely optional for each Alaska municipality — to participate in a centralized online sales tax collection, administration and enforcement program. Municipalities that join and agree to adopt the required changes to their sales tax codes would benefit from the collective strength of presenting a unified approach to online merchants nationwide. Cities or boroughs that choose not to join still could try on their own to adopt and enforce sales taxes on online merchants.

State law allows Alaska municipalities to sign intergovernmental cooperating agreements — similar to mutual-aid pacts between fire departments. AML's legal review concluded that a cooperative tax administration and collection agreement essentially would be the same and would not require any state legislation.

Is there any guarantee that municipalities can force online sellers to collect the tax?

There is no guarantee that every online merchant will willingly collect and remit sales taxes to a centralized administration for Alaska municipalities. But the odds of success are much better than 100+ different sales tax administrations statewide.

The deciding factor may be how “homogenized” Alaska’s cities and boroughs are willing to make their tax codes. The more the codes are the same, the better the argument that the municipalities are adhering to the standards the Supreme Court cited in its Wayfair decision.

“Nobody can give you an absolute legal answer” as to how far municipalities can stray from the intent and spirit of the Wayfair decision and still win if taken to court, the vice president and tax counsel for the National Retail Foundation told AML. Her advice: Go with the Streamlined Sales Tax Project’s definitions

What is the Streamlined Sales Tax Project?

The Streamlined Sales Tax Project began in March 2000 with the goal “to find solutions for the complexity in state sales tax systems.” It was, in great part, that complexity that led to the 1992 Supreme Court decision against North Dakota’s efforts to require tax collections by remote merchants.

The result is the Streamlined Sales and Use Tax Agreement, which targets simplifying and modernizing sales and use tax administration to substantially reduce the burden of tax compliance. The agreement focuses on state-level administration of sales and use taxes; uniformity in each state’s state and local tax bases; uniformity of major tax base definitions; central electronic registration for merchants; simplification of state and local tax rates; uniform sourcing rules for all taxable transactions (defining the point of the taxable transaction); and simplified administration of exemptions, tax returns and payments.

As of March 2019, 24 states had adopted the agreement. No federal law requires states to sign on for the Streamlined Sales Tax Project, but doing so makes it easier for states to capture maximum revenues from remote merchants.

The more that Alaska municipalities can follow the Streamlined Sales and Use Tax Agreement, the better the odds of success in achieving full compliance from online merchants. The AML working group on this topic have adopted to a large extent SSUTA definitions.

Can complexity lead to legal objections?

Yes, but it is unknown how much complexity would break the legal back of taxing online sales. In his dissenting opinion in the Wayfair case, Chief Justice John Roberts pointed to the complexity of sales tax laws nationwide. “Correctly calculating and remitting sales taxes on all e-commerce sales will likely prove baffling for many retailers. Over 10,000 jurisdictions levy sales taxes, each with different tax rates, different rules governing tax-exempt goods and services, (and) different product category definitions.” He noted that New Jersey collects sales tax on yarn purchased for art projects but not on yarn made into sweaters. “Texas taxes sales of plain deodorant at 6.25 percent but imposes no tax on deodorant with antiperspirant.” Illinois categorizes Twix bars as food and Snickers candy, and taxes them differently, the chief justice noted, only because Twix includes flour.

Why are Amazon and some merchants already collecting sales tax for Alaska municipalities?

Amazon has started collecting sales tax in several Alaska jurisdictions, though it appears that in most cases it is collecting tax only on Amazon’s own goods and not on sales of third-party sales. A coordinated, AML-led approach would remedy this shortcoming by encouraging municipalities to change their codes to encompass all goods sold online, whether direct by the

merchant or fulfillment by a third-party seller. A coordinated effort also would clarify which business is responsible for collecting and remitting the tax: The website that takes the order or the business that fills the order?

As of March 2019, Amazon had yet to register with all Alaska municipalities, and for most municipalities the online merchant's first sales tax returns are not due until a month after the end of the first quarter. After Amazon and other vendors file their first returns, Alaska municipalities will have a better sense of any enforcement issues.

There have been reports that Amazon is misapplying local taxes on some sales that should be tax-exempt. As it is now, each municipality has to contact Amazon individually — or any other online vendor — to educate the merchant on the details of their specific municipal tax code. A single online sales tax administrator for Alaska municipalities would improve the situation.

As to Amazon specifically, in a few cases the online retailer is collecting sales tax for deliveries in Alaska because it has a physical connection — a nexus — in that city or borough, such as an Amazon subsidiary or affiliate that does business in the municipality. Unless a municipal code is written as a sales and use tax, or otherwise specifically addresses online sales, merchants such as Amazon are not legally obligated to collect the city or borough sales tax.

How can online merchants determine which municipality gets the taxes?

One significant problem that Alaska municipalities must overcome is to construct a user-friendly online mapping system so that merchants can accurately determine the correct tax jurisdiction. Such as, a buyer may have a Soldotna ZIP code and mailing address but does not live within the city of Soldotna and believes they should not be liable for Soldotna city sales taxes. The same can be said for Interior residents with a North Pole mailing address. ZIP+4, unfortunately, does not always match municipal boundaries in Alaska, and therefore cannot be used for determining the tax jurisdictions. Other states and third-party contractors provide online mapping tools for sellers, and third-party vendors could help Alaska develop one that covers the entire state. In addition to creating the “tax look-up map” (as it is called in the state of Washington), Alaska municipalities would have to establish a system for keeping the map current with new subdivisions, new addresses for businesses and residences, annexations and such.

Can online vendors handle additional, specific sales taxes?

Yes, such as on alcohol or tobacco taxes, in addition to general sales taxes. Other states levy additional taxes on certain items, such as alcohol, and nothing in the Streamlined Sales Tax Project argues against such additional sales or excise taxes. The third-party vendors that offer administration software for states can accommodate such taxes.

What are some of the tax code decisions that AML research undertook?

Taxation limits

- Several Alaska municipalities have in place a limit on the amount of a single transaction subject to sales tax. For example, in Juneau the sales tax stops charging after a single transaction (an invoice, not a single item) reaches \$12,000 (though there is no limit to

taxation of jewelry). In the Kenai Peninsula Borough, the cap is \$500. Alaska municipalities can maintain their disparate application of such “tax caps” and still have a reasonable chance of surviving a legal challenge should an online merchant want to contest the “undue burden” of navigating different tax limitations.

Point of taxation

- Alaska municipalities most certainly will need to define and adopt a common definition for the point of the taxation transaction, especially since this could affect the rate charged and where the tax is remitted. Such as, if a buyer receives the order at a post office in one city but takes it to their residence in another city, where did the taxable transaction occur, and which city gets the money? Where the item was delivered or where it was used? The same difficulty would apply to the online seller as it tries to determine the tax rate — it needs to know which address to check on the tax look-up map, the point of delivery or the residence of the buyer? The point of taxation as agreed to is the point of delivery.

Definitions

- Definitions should be consistent among participating municipalities for any tax-exemptions, such as food (taxed or not taxed, or divided between prepared and unprepared, and how to define those terms), sale-for-resale, purchases by senior citizens, manufacturing components, construction materials that will be incorporated into real property in the municipality, farming supplies, funeral supplies, medical equipment, over-the-counter drugs and medical items, sales to and/or by nonprofits, sales by government agencies. There is a document providing the Common Definitions for review.

Collection thresholds

- South Dakota sets a significantly higher minimum threshold for annual sales into the state by a remote merchant than for local businesses before the out-of-state business has to collect and remit sales taxes. Whatever Alaska municipalities decide needs to be consistent for all municipalities in the AML program. Otherwise, remote merchants could get caught up in a maze of different registration and reporting standards.
- For example, municipalities may want to exempt small-scale sellers from registering, collecting and remitting, such as businesses with less than \$2,500 a year of sales into the jurisdiction. An example would be an online jewelry maker in New York that might sell \$300 of goods into any one Alaska city in a year. How much do Alaska municipalities want to exempt occasional sellers from collecting sales tax? And should it be the same threshold for remote sellers as in-town businesses?
- The collection threshold has been set at \$100,000 in annual transaction revenue or 100 annual transaction statewide.

Why now?: The U.S. Supreme Court in June 2018 changed the rules for collecting sales tax on online orders. It removed a long-standing limitation that had blocked states from requiring all online sellers to comply with their sales tax laws. This, in effect, creates a level playing field for local businesses. The Supreme Court decision was clear: It said allowing states to apply their tax laws to online sellers the same as local merchants is a matter of fairness. The court said past practice enabled online sellers to avoid collecting sales taxes “has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state’s consumers.”

Across the nation, states are working to comply with the Supreme Court decision, namely by ensuring the streamlined, single-level administration of sales tax collection. While this is straightforward in states with a sales, there are five states that don’t have a broad-based sales tax, and Alaska the only one that has local governments who do. Alaska’s cities and boroughs are at an administrative and enforcement disadvantage. Remote sellers have been clear that until this is addressed, they will not collect the sales taxes required by individual local governments. To the extent that there have been isolated cases of collections, some of those businesses get it wrong, misapplying taxes and exemptions and shortchanging municipalities or overcharging residents. (Note: Amazon’s current remittance is not based on remote sales, or the *Wayfair* case)

What the Alaska Municipal League is trying to do: The 165-member Alaska Municipal League, a nonprofit statewide organization, has spent the last year researching options for member local governments, and worked with many members to respond to this opportunity. Together, AML and members have developed an intergovernmental agreement, bylaws for a commission, and a remote sales tax code that local governments with sales tax codes will adopt. AML is developing the structure for centralized sales tax administration for remote merchants (out-of-state online sellers) to register and report their tax collections for distribution to the participating cities and boroughs.

The intergovernmental agreement, or compact, is voluntary, but those local governments that do not sign on are less likely to see remote sellers comply with their individual tax codes. The code that should be adopted by each member is generally consistent with most local governments, with provisions for parity and working toward compliance over time. The important thing to know is that each local government maintains its own tax rate and exemptions. The commission that is established will be delegated taxing authority. The board of directors of the commission will be voted on by members and have responsibility for the governance. The commission will contract with AML to administer the centralized administration, with collection, remittance and reporting that meets the need of each local government. This centralized administrator will include software that maintains a tax variability matrix, able to account for differences between members, and a sales tax boundary map so that remote sellers can comply with municipal boundaries.

A Timeline: There is a governance committee comprised of local government finance officers, attorneys and managers, who have drafted all relevant documents. These will need to be reviewed and adopted by any local government that wishes to participate. Adoption means delegating authority to a municipal

official to sign the intergovernmental agreement on behalf of the city or borough, and delegating taxing authority to the Commission. Adoption also means agreeing to the common tax code for remote sales. AML will contract with a software developer and build up a sales tax staff to administer the program.

We envision the governance being established in late November, perhaps at the annual AML conference, with full implementation in January 2020. Adoption will take time for many local governments, and members should deliberate as needed to come to resolution of adoption. The process accommodates joining at any point.

What are the benefits of taxing online sales the same as local sales

The biggest benefit is fairness:

- Fairness in funding public services in the community – the reason each municipality has a sales tax code is to be able to provide essential services for residents.
- Fairness for local merchants – the current system creates an incentive for residents to shop online, which creates additional burdens to brick and mortar stores.
- Fairness so that residents who shop online are charged the correct amount of tax – maintaining the uniqueness of each jurisdiction is important, and remote sellers can't comply with individual government codes without centralization.

“There is little logic in asking consumers who prefer to shop at local businesses to pay more toward funding public services than consumers who shop via their laptops or smartphones,” the independent Institute on Taxation and Economic Policy wrote of tax-free online shopping in a March 2018 report. “Local economies are harmed by this arrangement,” the report said, noting the competitive disadvantage it creates for “businesses that hire local residents, pay local property taxes, and otherwise contribute to the local economy.”

The numbers

Nationwide, e-commerce sales totaled more than \$500 billion in 2018, and the number is growing. Online sales totaled about 14 percent of total U.S. retail sales of \$3.6 trillion last year, according to Commerce Department estimates. The U.S. Government Accountability Office estimates that states lost about \$13 billion from the inability to fully collect taxes on online sales in 2017. The Alaska Municipal League estimates more than \$20 million in annual sales tax receipts could be at stake for those cities and boroughs with a sales tax.

National trends

A growing number of states have amended or are drafting changes to their tax codes to ensure they fairly and fully collect taxes from remote merchants selling goods online, the same as they do with local merchants. More than 20 states have adopted the Streamlined Sales and Use Tax Agreement, a common set of administrative rules and tax definitions to streamline enforcement nationwide.

The risks of doing nothing

The risks are more problems: Confusion for local consumers from erroneously collected sales taxes, further unfair competition that erodes local businesses, and lost municipal revenue as online shopping continues to grow. That is lost revenue Alaska communities cannot afford. At the same time, without centralized administration, the majority of remote sellers will not comply with local tax codes.

Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL

October 11, 2019

Alaska Intergovernmental Remote Seller Sales Tax Agreement

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

Article I. Background Principles.

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.
2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.
3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.
4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.
5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

Article II. Purpose.

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;
2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and
3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

Article III. Definitions.

As used in this Agreement:

1. “Commission” means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.
2. “Local Government” means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.
3. “Member” means a Local Government signatory to this Agreement.
4. “Remote seller” means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.
5. “Sales tax” means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.
6. “Marketplace facilitator” means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller’s products or services (excluding lodging and rentals) 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 seller;
 - ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
 - iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or
 - iv. Software development or research and development activities related to any of the activities described in (b) of this subsection (6), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person;
 - 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.

Article IV. The Commission.

1. Organization and Management.

- a. The Alaska Remote Seller Sales Tax Commission (the “Commission”) is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member’s behalf.
- b. Each Member will be entitled to one vote.
- c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.
- d. No action will be binding unless approved by a majority of the Directors present at a meeting.
- e. The Commission will adopt an official logo.
- f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.
- g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.
- h. The Commission will contract at formation for support and administrative

functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

- i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.
- j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.
- k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.
- l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.
- m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

2. Committees.

- a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.
- b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.
- c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

- a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

- b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.
- c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.
- d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:
 - i. Sue and be sued.
 - ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members
- f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:
 - 1. As provided in its bylaws, hold at least one meeting after due notice to all members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.
 - 2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.
- g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.
- h. Amend this Agreement by majority vote of the Members.

4. Finance.

- a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.
- b. The Commission will follow a July 1 to June 30 fiscal year.
- c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

- d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.
- e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.
- f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.
- g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

Article V. Membership Requirements; Remote Seller Sales Tax Code.

1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:
 - a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.
2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:
 - a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.
 - b. 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 Remote Seller Sales Tax Code is provided as "Addendum A".
3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.
4. The Member must provide notice of tax or boundary changes to the Commission and must

assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

Article VI. Sales Tax Collection and Administration.

1. Collection; Registration; Remittance.

- a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand (\$100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.
- b. The Commission will remit and report to Members by the last business day of the month.
- c. 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 adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.
- d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

2. Returns; Confidentiality.

- a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.
- b. 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:
 - i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 - ii. The person supplying such returns, reports and information; or
 - iii. Persons authorized in writing by the person supplying such returns, reports and information.

3. Title; Penalty and Interest; Overpayment.

- a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.
- b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.
- c. Upon request from a buyer or remote seller 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 shall process the refund and amend any returns accordingly.

4. Audit; Compliance and Enforcement.

- a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.
- b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

Article VII. Entry into Force and Withdrawal.

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.
2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

Article VIII. Effect on Other Laws and Jurisdiction.

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code

changes or demonstrate parity or non-applicability.

2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.
3. Supersede or limit the jurisdiction of any court of the State of Alaska.

Article IX. Construction and Severability.

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.

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, and sales tax revenues are the primary source of funding for services provided by local governments; and

WHEREAS, the failure to collect sales tax on remote sales creates market distortions by creating tax shelters 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 less 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 local infrastructure; 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 code 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, amending local sales tax codes reflects recent changes to federal law 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] agrees to enter 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.

NOW, THEREFORE, it is ordained 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.

DRAFT

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 (except for lodging and rentals), delivering products or services to municipalities adopting this Code.

XX.XX.020 – Title to Collected Sales Tax

Upon collection by the remote seller, title to sales tax vests in the Commission for remittance to the taxing jurisdiction. The remote seller 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 retail sales, on all sales and services made by remote sellers where delivery is made within a local taxing jurisdiction anywhere within the State of Alaska.
- B. The tax rate added to the sale price shall be the tax rate for the taxing jurisdiction where the property sold or service rendered is received.
- C. An Address/Tax Rate Database will be made available to remote sellers, indicating the appropriate tax rate to be applied.
- D. The applicable tax rate shall be added to the sales price.
- E. When a sale is made on an installment basis, the sales tax shall be collected at the time of the sale, calculated at the sales tax rate in effect at the time of the sale.

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

Any seller who does not have a physical presence in the taxing jurisdiction, or marketplace facilitator, selling property or services rendered within or delivered to the taxing jurisdiction shall collect and remit sales tax in compliance with all applicable procedures and requirements of law as if the seller had a physical presence in the taxing jurisdiction, provided the seller has met one of the following criteria (the “Threshold Criteria” or economic nexus) in the previous calendar year or the current calendar year:

1. The seller's annual statewide gross revenue, or seller's marketplace facilitator's annual statewide gross revenue, from the sale(s) of property, product or services delivered into the state meets or exceeds one hundred thousand dollars; or
2. The seller, or seller's marketplace facilitator, sold property, products, or services delivered into the state in one hundred or more separate transactions.

For purposes of determining whether the Threshold Criteria are met, sellers shall include all gross revenue, including sales made through a Marketplace Facilitator.

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 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 or service, or with respect to credit transactions, at the time of collection. It shall be the duty of each remote seller making taxable sales or providing taxable services to collect the taxes from the buyer and to hold those taxes in trust for the taxing authority. Failure by the remote seller to collect the tax shall not affect the remote seller's responsibility for payment to the Commission.

XX.XX.070 – Remote Seller Registration Requirement

If a seller's or a seller's marketplace facilitator's gross statewide sales from the previous calendar year or the current calendar year meets or exceeds the Threshold Criteria set by Section XX.XX.040, the seller shall register with the Commission.

- A. A remote seller meeting the Threshold Criteria shall apply for a certificate of sales tax registration within twenty (20) calendar days of the effective date of this Remote Seller Sales Tax Code or within twenty (20) calendar days of meeting the Threshold Criteria whichever occurs second. Registration shall be to the Commission on forms prescribed by the Commission.
- B. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. The failure of the Commission to issue a certificate of registration does not relieve the seller of its duty to collect and remit sales tax.
- C. Each business entity shall have a sales tax registration under the advertised name.
- D. 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.* Filing of sales tax returns are due monthly or quarterly.
- C. *Filing to be Continuous.* A remote seller who has filed a sales tax return will be presumed to be making sales in successive periods unless the remote seller files a return showing a termination or sale of the business in accordance with Section XX.XX.190.
- 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 time by the deadline indicated herein:

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 or federal or state holiday, the due date will be extended until the next business day immediately following.
- F. Any remote seller 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 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 intends to cease doing business, a final return shall be filed along with a statement of business closure.
- G. The remote seller shall prepare the return and remit sales tax to the Commission on the same basis, cash or accrual, which the remote seller uses in preparing its federal income tax return. The remote seller shall sign the return, and transmit the return, with the amount of sales tax that it shows to be due, to the Commission.
- H. Remote sellers failing to comply with the provisions of this Code shall, if required by the Commission, 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 monthly or quarterly filing status.
- I. Sales tax returns shall be accompanied by proof as to claimed exemptions or exceptions from tax herein imposed. This proof shall be reviewed and deemed satisfactory by the Commission. In the absence of proof, the claimed exemptions or exceptions from tax shall be disallowed and therefore deemed taxable. The burden of establishing any tax exemption is upon the preparer.
- J. 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 by reason of the failure of the remote seller to keep accurate books, allow inspection, or file a return, or by reason of the remote seller 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 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 seller waives the protection of this section.

- D. The Commission shall notify the remote seller, in writing, that the Commission has estimated the amount of sales tax that is due from the remote seller. The Commission shall serve the notice on the remote seller by delivering the notice to the remote seller's place of business, or by mailing the notice by certified mail, return receipt requested, to the remote seller's last known mailing address. A remote seller 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 shall become a final determination of the amount that is due unless the remote seller, 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 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 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 seller required by this chapter to collect sales tax shall file with the Commission upon forms furnished by it 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. Such other information as may be required by the Commission.
- B. Each tax return remitted by a remote seller shall be signed 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 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 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 shall process the refund and amend any returns accordingly.
- B. If the claimant is a remote seller, and the tax refund is owed to any buyer, the remote seller submits, and the Commission approves, a refund plan to all affected buyers.

X XX.XX.120. – Amended Returns

- A. A remote seller 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 provides a written justification for requesting approval of the amended return; and
 - iii. The remote seller agrees to submit to an audit upon request of the Commission.
- B. The Commission shall notify the remote seller in writing whether it accepts or rejects an amended return, including the reasons for any rejection.
- C. The Commission may adjust a return for a remote seller 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.

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

Upon written application of a seller, 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 seller's control, the seller 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 seller;
- 3. The remote seller has a plan to cure the problem that caused the seller to apply for an extension and the remote seller agrees to proceed with diligence to cure the problem;
- 4. At the time of the application, the remote seller 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 who has established a sales tax account 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 in order to determine whether

appropriate amounts of sales tax revenue have been collected by the seller 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 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 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 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 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 seller at any reasonable hour on the premises of the remote seller and may require the attendance of any officer or employee of the remote seller. Upon written demand by the Commission, the remote seller 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 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 to comply therewith.
- H. Any remote seller 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 resulting from a remote seller's failure to accurately report sales and taxes due thereupon, the remote seller 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 wishes to dispute the amount of the estimate, or the results of an

examination or audit, the remote seller must file a written protest with the Commission, within 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 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 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, either on its own or upon request of the remote seller, and may also require that the remote seller 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 protest and mail a copy of the determination to the remote seller.
- D. If a written protest is not filed within 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 quarter or partial 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 twenty percent (20%). The penalty does not bear interest.
- D. Penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected.
- 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 accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the remote seller to the Commission [and taxing jurisdiction], within forty-five (45) calendar days after the date of delinquency. A remote seller 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. No repayment plan shall be valid unless agreed to by both parties in writing.
- B. A remote seller shall not be eligible to enter into a repayment plan with the Commission if the remote seller 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 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 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 (15%) percent 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 is a corporation or a limited liability entity the remote seller agrees to provide a personal guarantee of the obligations under the repayment plan.
 - v. The remote seller agrees to pay all future tax bills in accordance with the provisions of this chapter.
 - vi. The remote seller 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 shall be responsible for the cost of recording the tax lien.
- D. If a remote seller fails to pay two (2) or more payments as required by the repayment plan agreement, the remote seller 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 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 Record Retention

Remote sellers engaged in activity subject to this chapter 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 is obliged to collect. Remote sellers 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 seller was obliged to collect under this chapter.

XX.XX.190. Cessation or Transfer of Business

- A. A remote seller 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 shall send to the Commission, by approved communication (email confirmation, certified first-class mail, postage prepaid) a notice that the remote seller'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 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 the sales tax code with this section highlighted.

- E. Neither the Commissioner'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 said notice, the Commission shall have sixty (60) days in which to perform a final sales tax audit and assess sales tax liability against the remote 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 later 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 in a business required to collect the tax under this chapter assumes the liability of the remote seller for all taxes due the Commission [taxing jurisdiction], 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 as of the date of the transfer, and shall withhold that amount from the consideration payable for the transfer, until the remote seller 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 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 (50) percent of the ownership interest in a remote seller that is a corporation, limited liability company or partnership; or
 - 2. A sale of substantially all the assets used in the business of the remote seller; or
 - 3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the remote seller'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 said 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 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 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 and/or in 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 is disclosed.
- E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, of a copy of any return or report filed by him, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers or sellers, 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 agent of any remote seller 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 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 seller 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 registered owner 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 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 liability or to collect the sales tax, including, without limitation, reviewing and auditing the remote seller'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 believed to meet the criteria of [XX.XX.040] 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 where the remote seller has:
 - 1. Failed to file sales tax returns for two consecutive filing periods as required by the Code; or
 - 2. Failed within 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.
- 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 under XX.XX.XX.
 - 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 or remote seller 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 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 three hundred dollars (\$500).
- D. Any remote seller who fails to file a return required under this chapter within fifteen (15) calendar days of the due date, 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, and fifty dollars (\$50) for each subsequent sales tax return not timely filed within a one- (1-) year period thereafter. The filing of an incomplete return shall be treated as the filing of no return.
- E. A remote seller 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 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. The Commission may also recover attorney's fees in any action against a delinquent seller.

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

Sellers with a physical presence in the taxing jurisdiction shall report, remit, and comply with standards, including audit authority, promulgated by this chapter to the taxing jurisdiction. This section applies to all sellers with a physical presence in the taxing jurisdiction even if the seller also has taxable remote sales. If the seller with a physical presence and also remote sales delivers products or services to a buyer outside that taxing jurisdiction, the seller shall file with the Commission. If the seller does not have a physical presence, then the return for the remote sales shall be filed with the Commission.

XX.XX.240. – Definitions

Note: Adoption of definitions does not compel 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. 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].

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

“Booking Commissions” means monies received from contracted or subcontracted guides, and lodging or other services sold as components of a recreational package.

“Buyer” means a person to whom a sale of personal property is made or to whom a service is

furnished (see purchaser).

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

“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.

“Computer” means an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions.

“Computer Software” means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

“Construction materials” means materials, goods, components, fixtures or other items that are incorporated into the construction of real property and become a permanent component of that real property.

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

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

“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. Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or
- C. Intended to affect the structure or any function of the body.

“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.

“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.

“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, 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.

“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.

“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.

“Long-term vehicle lease” means a lease of a motor vehicle, as defined below, for a period of 24 months or longer. As used herein a "motor vehicle" is a motor vehicle, as defined in AS 28.40.100(12), 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(30) or a "snowmobile" as defined in 13 AAC 40.010(49).

” 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;

“Marketplace Facilitator” means a person that contracts with sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's products 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 seller;
 - (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
 - (iii) Providing a virtual currency that buyers are allowed or required to use to purchase products from the 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.

“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.

“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.

“Monthly” means occurring once per calendar month.

“Newspaper” means a publication of general circulation bearing a title, issued regularly at stated intervals at a minimum of at least 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.

“Nexus” means:

1. The seller’s annual statewide gross revenue, or seller’s marketplace facilitator’s annual statewide gross revenue, from the sale(s) of property, products or services delivered into the state meets or exceeds one hundred thousand dollars; or
2. The seller, or seller’s marketplace facilitator, sold property, digital products, or services delivered into the state in one hundred or more separate transactions.

“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.

“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.

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

“Point of Delivery” means the location at which 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 the seller, 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. For products transferred electronically, or other sales where the remote merchant lacks a delivery address for the purchaser, the merchant shall consider the point of delivery the sale to the billing address of the buyer.

“Precious metals” means any mineral, including but not limited to gold, silver, platinum and palladium, 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 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.”

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

“**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.

“**Purchaser**” means a person to whom a sale of property is made or to whom a service is furnished (see also Buyer).

“**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 possession by a shipping company on behalf of the purchaser.

“**Remote Seller**” means a Seller making sales or services received or delivered within the State of Alaska, by internet, mail order, or telephone, without having a physical presence in a taxing jurisdiction, or conducting business between taxing jurisdictions.

“**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 sale for any purpose other than for resale.

“**Sales or Purchase price**” means the total amount of consideration, including cash, credit, property, and services, for which personal property 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 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.

“**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.

“**Seller**” means: (1) a person making sales of property or services.

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

“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 product or sale of property may be involved, including property made to order;
- C. Utilities and utility services not constituting a sale of personal property, 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.

“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.

“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.

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

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

**Bylaws
of the
Alaska Remote Sales Tax Commission**

Article I - Offices

Section 1. Registered Office

A registered office will be maintained by the Commission in the State of Alaska at One Sealaska Plaza, Suite 200, Juneau, AK 99801, or at such location as the Board of Directors designates.

Section 2. Other Offices

The Commission also may have offices at such other places as the Board of Directors determines or the business of the Commission may require.

Article II – Membership

Section 1. Qualifications

- A. To obtain and retain full membership, the legislative body of an Alaska municipality must submit either an Ordinance or Resolution requesting membership. The Ordinance or Resolution must address the following:
1. Designation of individual at the municipality that may execute all binding documents on behalf of the municipality;
 2. Acknowledgment and agreement to follow and be bound by the Remote Sellers Sales Tax Code and the By-Laws of the Commission;
 3. Delegation of remote seller sales tax registration, collection, remittance, audit and collection authority to the Commission;
 4. Agreement to provide the Commission with notices of any changes to the Municipality's Sales Tax Code;
 5. Agreement to provide the Commission with notice of any boundary changes for the Municipality; and
 6. Agreement to cooperate in development of a joint database and mapping.
- B. To retain full membership status, a member must adopt, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers.

Section 2. Privileges.

- A. Voting. Members may vote.
- B. Holding Office. Members may hold office.
- C. Committees. Members may serve on a committee.

Section 3. Dues or fees

- A. Annual dues or fees for all members shall be fixed by the Board. Dues or fees shall become due and payable November 1 and are delinquent if not postmarked or submitted

electronically by December 31. Dues or fees will be billed by and remitted directly to the Executive Office of the Commission.

- B. Dues for a new member joining after August 1 shall be credited to the following year. Members whose dues are not paid by December 31 will be considered delinquent and ineligible to participate in the activities of the Commission, to include casting a vote, until the delinquency is corrected.
- C. Membership belongs to the individual municipality and may not be transferred.

Section 4. Revocation of Membership.

- A. Membership shall be revoked immediately upon the resignation of a member.
- B. A member whose dues are not paid by January 25 shall have their membership revoked.

Section 5. Membership by Alaska Municipal League

The Alaska Municipal League (AML) shall be given two (2) memberships annually at no charge. Those persons designated or approved by AML to serve as members, shall have all of the same rights and privileges as any member in good standing, including the right to vote, run for office and/or serve on a committee.

ARTICLE III - MEETINGS

Section 1. Annual Meetings.

Each year, the Commission shall hold an annual meeting of members on such date and on such time as shall be determined by the Board of Directors, at which meeting the members shall elect a Board of Directors and transact any other business as may properly be brought before the meeting.

Section 2. Location of Meetings.

Meetings of members shall be held at such place as determined by the Board of Directors. Meetings shall rotate annually between member jurisdictions, as possible.

Section 3. Special Meetings.

Special meetings of the members may be called at any time by the President or the Board of Directors, or members holding not less than ten percent (10%) of all the votes entitled to be cast at such meeting. Business transacted at any special meeting shall be confined to the purpose or purposes set forth in the notice of the special meeting.

Section 4. Notice of Meetings.

Whenever members are required to or permitted to take action at a meeting, a Written notice of the meeting shall be provided to each member of record entitled to vote at or entitled to notice of the meeting. The written notice shall state the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided for by law, written notice of any meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting to each member entitled to vote at such meeting.

Section 5. Written Notice Defined.

Written notice shall be accomplished via first class mail or via email sent to the address or email address last provided by the member.

Section 6. Quorums and Adjournments.

Members may take action on a matter at a meeting only if a quorum exists with respect to that matter. Except as otherwise provided by law, a majority of the outstanding members of the Commission entitled to vote shall constitute a quorum at a meeting of the members. Once a member is represented at a meeting (other than solely to object to the holding of the meeting), the member is deemed present for quorum purposes for the remainder of the meeting and the members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient members to leave less than a quorum. The holders of a majority of the outstanding members represented at a meeting, whether or not a quorum is present, may adjourn the meeting from time to time.

Section 7. Voting.

If a quorum exists, action on a matter (other than the election of directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action. Directors shall be elected by a plurality of the votes cast by the members entitled to vote in the election (provided a quorum exists). Unless otherwise provided by law, each member shall be entitled to one vote on each matter.

Section 8. List of Members.

The Secretary of the Board of Directors shall prepare and make, at least ten (10) days before any meeting of the members, a complete list of the members entitled to vote at the meeting, arranged alphabetically, and showing the address of each member. The list shall be open to the examination of any member for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days before the meeting, either at a place in the city where the meeting is to be held, which place must be specified in the notice of the meeting, or at the principal offices of the Board of Directors. The list shall also be produced and kept available at the time and place of the meeting, for the entire duration of the meeting, and may be inspected by any member present at the meeting.

Section 9. Consent in Lieu of Meetings.

Any action required to be taken or which may be taken at any meeting of the members, whether annually or special, may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes necessary to take such action at a meeting at which all members entitled to vote were present and voted. The action must be evidenced by one or more written consents, describing the action taken, signed and dated by the members entitled to take action without a meeting, and delivered to the Commission at its registered office.

No consent shall be effective to take the Commission action referred to in the consent unless the number of consents required to take action are delivered to the Commission or to the Secretary within sixty (60) calendar days of the delivery of the earliest-dated consent.

No Prompt notice of the taking of the Commission action without a meeting by less than unanimous vote shall be given to those members who did not consent in writing.

Section 10. Meeting by Conference Call or Electronic Media.

One or more members may participate in a meeting of the members by means of a conference telephone, videoconferencing, or similar communications equipment by means of which all persons participating in the meeting can hear (and potentially see) each other. Participation in this manner shall constitute presence in person at such meeting.

For meetings held exclusively via conference call or electronic media, the following procedure must be followed: (1) notice to members of the time and locations where the meeting will be held by electronic media has been given in the same manner as if the meeting were held in a single location; (2) members in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and (3) copies of pertinent reference materials, statutes, regulations and audio-visual materials are reasonably available to the members. A meeting by electronic media as provided in this Section 7 has the same legal effect as a meeting in person.

Section 11. Alaska Open Meetings Law.

All annual and special meetings of the members of the Commission, all regular and special meetings of the Board of Directors and all meetings of committees of the Board of Directors, if any, will be conducted in accordance with the Alaska open meetings law found at AS 44.62.310.

ARTICLE IV - DIRECTORS

Section 1. Powers.

The business and affairs of the Commission will be managed under the direction of, the Board of Directors of the Commission, which may exercise all such powers of the Commission and do all lawful acts and things, subject to any limitations set forth in these Bylaws or under Alaska Statutes.

Section 2. Number. Qualifications and Election.

The number of directors shall be set at seven (7). Each director shall be at least 21 years of age. Board members must be an employee or elected official of a member entity with an active membership. The directors shall be elected by the members at the annual meeting by the vote of the members eligible to vote. Each director shall be elected for a term of two (2) years, and until his or her successor shall be elected and shall qualify or until his or her earlier resignation or removal.

- A. Initial Election - Term. Upon inception of the Board of Directors, all members eligible to vote shall vote for the Board of Directors. The person who receives the greatest number of votes shall serve as the President. The three (3) members receiving the next three highest votes shall serve a term of two (2) years. The remaining three (3) vote-getters shall serve a term of only one (1) year. Thereafter, all vacancies shall be for a two (2) year term.

Section 3. Nomination of Directors

The Board of Directors may nominate candidates to stand for election as directors. Other candidates may also be nominated by any member of the Commission provided such nomination is submitted in writing to the Commission's Secretary at least thirty (30) calendar days prior to the annual meeting.

Section 4. Vacancies.

Except as otherwise provided by law, any vacancy in the Board of Directors occurring by reason of an increase in an authorized number of directors or by reason of death, withdrawal, removal, disqualification, inability to act, or resignation of a director shall be filled by a majority of directors then in office. The successor shall serve the unexpired portion of the term of his or her predecessor. Any director may resign at any time by giving written notice to the Board or the Secretary.

A. Process for Filling Vacancy.

1. The Secretary shall prepare a notice of vacancy stating that a vacancy has occurred and advising interested members as to the procedure for the filling of the vacancy.
2. Eligible members will have thirty (30) calendar days to submit nominations. Nominations shall include a letter of interest describing the nominee's interest to serve on the Board. The person submitting a letter of interest to fill a vacant board position may attach any relevant information such as a resume to his or her letter of interest.
3. The Board of Directors will meet and nominate a qualified person to fill the vacant seat. If there is not a qualified person who submitted a letter of interest to fill the vacant board seat, the Board may nominate a qualified person who has not applied for the vacant board seat. Nominations for the vacant seat shall be made by motion approved by the Board. Once all nominations are made, Board members shall cast votes simultaneously by written ballot for persons nominated. All the ballots will be collected by the Secretary who shall announce the vote of each Board member. The person who receives a majority of the votes shall fill the vacant seat.

Section 5. Compensation.

The Board of Directors shall have the authority to fix the compensation of Directors. A fixed sum and expenses of attendance may be allowed for attendance at each regular and special meeting of the Board. No such payment shall preclude any director from serving the Commission in any other capacity and receiving compensation therefor.

Section 6. Removal of Directors.

Any director or the entire Board of Directors may be removed, with or without cause, by a majority of the members eligible to vote.

Section 7. Resignation.

Any director may resign at any time by giving notice to the Board or the Secretary. Any such resignation will take effect upon receipt of such notice or at any later time specified in the notice. The acceptance of such resignation will not be necessary to make it effective, provided that the Board of Directors may reject any postdated resignation by notice in writing to the resigning director.

ARTICLE V - OFFICERS

Section 1. Positions.

The officers of the Commission shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time appoint, and such other officers it deems advisable. Each such officer shall exercise such powers and perform such duties as shall be set forth herein and such other powers and duties as may be specified from time to time by the Board of Directors. The officers of the Commission shall be elected by the members. Each of the President and/or the Vice President may execute bonds, mortgages, and other documents under the seal of the Commission, except where required or permitted by law to be otherwise executed and except where execution thereof shall be expressly delegated by the Board to some other officer or agent of the Commission.

Section 2. President.

The President shall:

- A. Preside at all meetings;
- B. Be chair of the Board of Directors;
- C. be an ex-officio member of all committees;
- D. In the event of a vacancy in a committee chairmanship, have the power to appoint a chairperson from among the members of the committee in which the vacancy occurs or from the General membership;
- E. Appoint, subject to the approval of the Board of Directors, committee members to fill vacancies during the year;
- F. Call meetings of the Board of Directors;
- G. Arrange with the treasurer for the auditing of the account books by authorized persons (this should be performed by a person with accounting expertise, preferably an independent public accountant or CPA);
- H. Have the general powers and duties of management and supervision usually vested in the office of President of a corporation. The President will be responsible for carrying out policy directives of the Board of Directors
- I. Perform all other duties as are incident to the office or are properly required of the President by the Board of Directors.

Section 3. Vice President.

The Vice President shall:

- A. Assist the president throughout the year;
- B. Assume the duties of the president in the latter's absence;

- C. Succeed to the office of president in the event of a temporary vacancy in the office or the president's inability to perform the duties of office;
- D. Be available to the president upon the request for assistance.

Section 4. Secretary.

The Secretary shall:

- A. Keep the minutes of all regular and special meetings of the general membership and the Board of Directors;
- B. Record all the votes of the Commission and the minutes of all its transactions in a book to be kept for that purpose;
- C. Provide the president with a copy of the minutes within ten (10) business days after the meeting;
- D. Conduct such correspondence as shall be requested by the president, Board of Directors or the general membership;
- E. Be custodian of all records except financial records and committee reports;
- F. Give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors

Section 5. Treasurer.

The Treasurer shall oversee the custody of the funds and securities of the Commission.

The Treasurer shall:

- A. Be maintain oversight of all monies of the Commission and the due payment of all authorized obligations;
- B. Ensure the filing of any necessary tax documents;
- C. Submit and review and annual treasurer's report to the Board and general membership at the annual meeting;
- D. Submit other treasurer's reports as requested by the Board of Directors;
- E. Prepare an annual budget for upcoming year and present it at an annual conference meeting;
- F. Be custodian of all financial records;
- G. Maintain the list of all eligible voting members and make the list available upon reasonable request.

ARTICLE VI – COMMITTEES

Section 1. There shall be standing and special committees.

Section 2. The standing committees shall be Conferences/Meetings, Membership, Code, and Budget and Finance.

Section 3. Special committees are appointed by the President for a special function or task and will remain active until their function is completed and/or they are dissolved upon the completion of their responsibility.

Section 4. The chairman of the standing committees shall be appointed by the President for a one-year term. Any active member is eligible to serve.

Section 5. Membership in the committee is open to any person employed by an active member.

ARTICLE VII – FINANCES

Section 1. Duty of Care.

The assets and reporting to be administered through the Administration, its officers, Directors, employees and agents will be done with the same care, skill, prudence and diligence under the circumstances then prevailing that a tax authority would use in the conduct of an enterprise of a like character and with like aims.

Section 2. Budget.

The Budget and Finance Committee shall prepare a budget for the ensuing year for approval by the Board of Directors. The budget as approved by the Board shall be provided to the General Membership for its information.

Section 3. Fiscal Year.

The fiscal year for the Commission shall be from July 1 to June 30.

Section 4. Checks, Drafts.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Commission, will be signed or endorsed by such person or persons and in such manner as determined by resolution of the Board of Directors.

Section 5. Annual Audit.

The accounts of the Commission shall be audited annually by an independent public accountant or CPA.

ARTICLE VIII - CERTIFICATES

Section 1. Form of Certificates.

Certificates for membership in the Commission will be in such form (not inconsistent with the Agreement or applicable law) as approved by the Board of Directors and will be numbered and entered in the membership books of the Commission as they are issued. Every certificate for membership will be signed by the President or a Vice President and by the Secretary or designee.

Section 2. Membership Registrars.

The Board of Directors may, from time to time, appoint one or more registrars for memberships in the Commission who will have such powers and duties as the Board of Directors will specify.

Section 3. Presumption of Membership.

The Commission will be entitled to treat the holder of record of any certificate for membership as the holder in fact of that certificate authorizing the holder to vote as such member and, accordingly, will not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person, whether or not the Commission will have express or other notice thereof, except as expressly provided by applicable law.

Section 4. Membership without Certificates.

Notwithstanding the provisions of Sections 1 through 3 of this Article VIII, the Board of Directors may, by resolution, authorize the issuance without certificates of some or all of the memberships in the Commission. The authorization does not affect memberships that are already represented by certificates until the certificates are surrendered to the Commission.

ARTICLE IX - BOOKS AND RECORDS

Section 1. Correct and Complete, Inspection.

- A. The Commission will keep correct and complete books and records of account and will keep minutes of the proceedings of its members, the Board of Directors, and committees appointed by the board, if any.
- B. All books and records of the Commission may be inspected by any member or its agent or attorney for any proper purpose at any time during normal business hours at the registered office of the Commission.

Section 2. List of Members Entitled to Vote.

The Commission will keep at its registered office a record of the names and addresses of members entitled to vote.

Section 3. Alaska Open Meetings Law.

All annual and special meetings of the members of the Commission, all regular and special meetings of the Board of Directors and all meetings of committees of the Board of Directors, if any, will be conducted in accordance with the Alaska open meetings law found at AS 44.62.310.

ARTICLE X - ADMINISTRATIVE STRUCTURE

Section 1. Executive Director, Staffing.

- A. The day-to-day operations of the Commission will be carried out by an Executive Director under the supervision of the President of the Commission. The Executive Director will carry out other tasks as assigned by the President of the Commission. The position of Executive Director of the Commission will be filled by the executive director of the Alaska Municipal League.
- B. The Executive Director of the Commission will be supported by staff of the Alaska Municipal League and such other staff as the Board of Directors may by resolution approve.

- C. The Commission will share office space and office equipment and furniture with the Alaska Municipal League in the existing offices of the Alaska Municipal League at One Sealaska Plaza, Suite 200 in Juneau, Alaska, or such other offices which the Alaska Municipal League may acquire or lease, and such other office space and office equipment and furniture as the Board of Directors may by resolution approve.
- D. The Commission will enter into agreements with the Alaska Municipal League and as adopted by the Board of Directors setting forth the terms and conditions for the implementation of and compliance with the provisions of (a), (b) and (c) of this Section 1 including but not limited to the following:
 - 1. The sharing of time and payment therefor of the individual who will be the Executive Director of the Commission and the Executive Director of the Alaska Municipal League;
 - 2. The sharing of time and payment therefor of the individuals who will be the staff of the Commission and the staff of the Alaska Municipal League;
 - 3. The sharing of office space and office equipment and furniture with the Alaska Municipal League and the payment therefor; and
 - 4. The providing of general office administrative services, and the payment therefor, by the Alaska Municipal League to the Commission not otherwise provided by a contractor or adviser.

Section 2. Use of Name, Marketing.

- A. The Alaska Municipal League will do the following:
 - 1. Assist in dissemination of information to the membership of the Alaska Municipal League and all municipalities in Alaska pertaining to the tax administration services of the Commission, prepare and publish articles in its publications on those services, arrange for meetings between its members and any contractor retained by the Commission and otherwise assist in apprising the members of the Alaska Municipal League and others of the services of the Commission.

Section 3. Fee for services.

In return for the ongoing services of the Alaska Municipal League as set forth in Sections 1 and 2 of this Article X and for the partnership with the Alaska Municipal League, the Commission will annually set a fee structure for all direct and indirect costs of the League. It is permissible for earnings from sales tax revenue while held by the Alaska Municipal League be used by the Commission to offset payment by members. Any earnings beyond those agreed to in the annual budget shall be returned to members on a pro rata basis or held in a stabilization fund. The annual budget will be established by the Board of Directors, by resolution.

ARTICLE XI – GENERAL PROVISIONS

Section 1. Indemnification.

The Commission will defend, indemnify and hold harmless each director, officer and employee of the Commission for expenses, including attorney's fees, and the amount of any judgment, money decree, fine, penalty or settlement for which he or she may become liable by

reason of his or her being or having been a director, officer or employee of the Commission or who exercises powers or performs duties for the Commission.

Notwithstanding the foregoing, no indemnification shall be made by the Commission if judgment or other final determination establishes that the potential indemnitee's acts were committed in bad faith or were the result of active or deliberate fraud or dishonesty or clear and gross negligence.

Section 2. Insurance.

The Commission shall purchase and maintain insurance in a reasonable amount on behalf of any person who is or was a director, officer, agent, or employee of the Commission against liability asserted against or incurred by such person in such capacity or arising from such person's status as such.

Section 3. Correct and Complete, Inspection.

- a. The Commission will keep correct and complete books and records of account and will keep minutes of the proceedings of its members, the Board of Directors, and committees appointed by the board, if any.
- b. All books and records of the Commission may be inspected by any member or its agent or attorney for any proper purpose at any time during normal business hours at the registered office of the Commission in Alaska.

Section 4. Roberts Rules

The rules contained in Robert's Rules of Order, Newly Revised shall govern the Commission in all cases to which they are applicable.

Section 5. Headings

The headings contained in these Bylaws are for convenience only and will not in any way affect the meaning or interpretation of these Bylaws.

ARTICLE XII – AMENDMENTS TO BYLAWS

Section 1.

These Bylaws may be amended at any meeting of the General Membership by a two-thirds (2/3) vote provided that the proposed amendments shall have been submitted in writing to the voting members at least thirty (30) calendar days prior to the meeting of the General Membership at which they will be considered.

Section 2.

These Bylaws may be amended at the annual meeting of the General Membership without previous vote by the unanimous vote of the voting body.

Section 3. Recordation

Whenever action is taken to amend or alter the Bylaws or adopt a new Bylaw, a copy of the amendment, alteration or new Bylaw will be filed and kept in the minute book with the original Bylaws. If any Bylaw is repealed, the fact of such repeal and the date on which it

occurred will be recorded in the minute book, and a copy of it will be placed next to the original Bylaws.

ARTICLE XIII - DISSOLUTION

Section 1.

In the event of dissolution of the Commission, upon payment of all outstanding obligations, all of the assets shall be distributed evenly among those members who were active, in good standing and qualified to vote at the last General Membership meeting.

Section 2.

It shall be the responsibility of the President and the Treasurer to complete all necessary federal and state forms upon dissolution. Copies of those forms will be sent to the Alaska Municipal League (AML) office.

I, the undersigned being the Secretary of the Alaska Municipal Sales Tax Administration hereby certify the foregoing to be the Bylaws of the Commission, as adopted by the Board of Directors, on the 21st day of November 2019.