



Alice Ruby, **Mayor**

Council Members

- Chris Napoli (Seat A) • Bill Rodawalt (Seat B) • Vacant (Seat C)
- Curt Armstrong (Seat D) • Andy Anderson (Seat E) • Gregg Marxmiller (Seat F)

DILLINGHAM CITY COUNCIL
David B. Carlson Council Chambers

Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

CAPITAL IMPROVEMENT PROJECTS WORKSHOP	6:30 P.M.	JANUARY 16, 2020
REGULAR MEETING	7:00 P.M.	JANUARY 16, 2020

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - a. Regular Council Meeting, December 5, 2019 page 3
4. **APPROVAL OF CONSENT AGENDA**
APPROVAL OF AGENDA
5. **STAFF REPORTS**
 - a. City Manager and Staff Reports page 7
 - b. Standing Committee Reports page 39
6. **PUBLIC HEARINGS**
7. **CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)**
8. **ORDINANCES AND RESOLUTIONS**
 - a. Introduce Ordinance 2020-01; An Ordinance of the Dillingham City Council Amending Section 4.30.050 C Purchase Orders, to Adjust the Not To Exceed Value page 43
 - b. Adopt Resolution No. 2019-35; A Resolution of the Dillingham City Council Authorizing the City of Dillingham to Join the Alaska Remote Sellers Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Sellers Tax Code page 45
 - c. Adopt Resolution No. 2020-01; A Resolution of the Dillingham City Council Approving the Updates to the 2018-2023 Capital Improvement Plan and the FY2021 Legislative Priorities List page 103
9. **UNFINISHED BUSINESS**
 - a. Citizen Committee Appointments
 - 1) Senior Advisory Commission – 2 seats open page 107
 - 2) School Facility Committee – 1 seat open
 - 3) Port Advisory Committee – 2 seats open
 - 4) Planning Commission – 2 seats open page 109

- b. Progress Report
 - 1) Dave Carlson House Property
 - 2) Territorial School

10. NEW BUSINESS

- a. Dillingham Liquor Store License Renewal page 115
- b. Appointment to City Council Seat C page 121
- c. Set Special Meetings

11. CITIZEN'S DISCUSSION (Open to the Public)

12. COUNCIL COMMENTS

13. MAYOR'S COMMENTS

14. ADJOURNMENT

1. CALL TO ORDER

A regular meeting of the Dillingham City Council was held on Thursday, December 5, 2019, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Ruby called the meeting to order at 7:00 p.m.

2. ROLL CALL

Mayor Ruby was present.

Council members present and establishing a quorum (a quorum being four):

Andy Anderson Curt Armstrong Chris Napoli Gregg Marxmiller

Bill Rodawalt – Excused

Staff in attendance:

Tod Larson Kelsa Brandenburg Dan Pasquariello

3. APPROVAL OF MINUTES

- a. Regular Council Meeting, November 7, 2019

MOTION: Andy Anderson moved and Chris Napoli seconded the motion to approve the minutes of November 7 2019.

Typographical error was noted.
Question called, no objections.

VOTE: The motion passed unanimously by voice vote.

4. APPROVAL OF CONSENT AGENDA

APPROVAL OF AGENDA

MOTION: Andy Anderson moved and Chris Napoli seconded the motion approve the agenda.

VOTE: The motion passed unanimously by voice vote.

5. STAFF REPORTS

- a. City Manager and Staff Reports:

- The new Public Works Director will be in Dillingham on December 10th.
- Mr. Larson will be out of town December 18 through January 4. Lori Goodell will be the action manager during his absence.
- Mayor Ruby was nominated for the AML Vic Fischer Leadership award.
- Public Safety reporting to be integrated into a graph for comparison over time.
- Abandoned F/V Bar Maid removal to be pursued.
- City Attorney Brooks Chandler will be in on December 9 for council training.

- b. Standing Committee Reports

Complete Count Committee:

- The committee has met several times and minutes will be sent to the City Clerk for inclusion in council packets.

6. PUBLIC HEARINGS

- a. Ordinance No. 2019-05; An Ordinance of the Dillingham City Council Modifying the Land Use Restrictions on a Portion of Block 5, U.S. Survey 2732, Dillingham Townsite
- b. Ordinance No. 2019-06, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1 and Appropriating Funds for the FY2020 City of Dillingham Budget

No public comments were received.

7. CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

Carl Backford:

- Thanked the Mayor for her service to the community, and for saving his father's life.
- Noted the positive changes in his life.
- Commented regarding the recent action taken by several tribal councils to discontinue participation with BBAHC. Spoke in favor of everyone working together.

Paul Liedberg:

- Reported regarding his appointment to represent the City on the Wood Tikchik State Park Committee. He continues to attend all meetings, noting the recent changes in membership. The hydro project is currently being discussed. A scoping meeting will be held December 11, with a follow up meeting on December 20. All Council action regarding issues concerning the city will be relayed to the committee.

Paul was thanked for his community involvement.

8. ORDINANCES AND RESOLUTIONS

- a. Adopt Ordinance No. 2019-05; An Ordinance of the Dillingham City Council Modifying the Land Use Restrictions on a Portion of Block 5, U.S. Survey 2732, Dillingham Townsite

MOTION: Chris Napoli moved and Curt Armstrong seconded the motion to adopt Ordinance 2019-05.

VOTE: The motion passed by unanimous voice vote.

- b. Adopt Ordinance No. 2019-06, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1 and Appropriating Funds for the FY2020 City of Dillingham Budget

MOTION: Andy Anderson moved and Chris Napoli seconded the motion to adopt Ordinance 2019-06.

VOTE: The motion passed by unanimous voice vote.

- c. Adopt Resolution No. 2019-39; A Resolution of the Dillingham City Council Accepting the Resignation of Aksel Buholm and to Offer Thanks and Commendation for his Service on the Dillingham City Council

MOTION: Chris Napoli moved and Andy Anderson seconded the motion to adopt Resolution 2019-39.

With adoption of this resolution Seat C will be advertised for letters of interest with an appointment being made at the January council meeting.

VOTE: The motion passed by unanimous voice vote.

- d. Adopt Resolution No. 2019-40; A Resolution of the Dillingham City Council Authorizing the City Manager to Waive the Purchasing Requirements to Award a Contract to Alaska CAMA Company, LLC for the MARS System

MOTION: Chris Napoli moved and Andy Anderson seconded the motion to adopt Resolution 2019-40.

It was noted that waiving purchasing restrictions is not ideal.

VOTE: The motion passed by unanimous voice vote.

- e. Adopt Resolution No. 2019-41; A Resolution of the Dillingham City Council Authorizing the City of Dillingham to Accept a Loan from the Alaska Department of Environmental Conservation Alaska Clean Water Fund for Groundwater Monitoring Wells at the Landfill

MOTION: Gregg Marxmiller moved and Chris Napoli seconded the motion to adopt Resolution 2019-41.

VOTE: The motion passed by unanimous voice vote.

9. UNFINISHED BUSINESS

- a. Citizen Committee Appointments
 - 1) Senior Advisory Commission – 1 seat
 - 2) School Facility Committee – 1 seat
 - 3) Port Advisory Committee – 2 seats

There were no letters of interest.

- b. Progress Report
 - 1) Dave Carlson House Property
 - 2) Territorial School

There were no progress reports.

10. NEW BUSINESS

- a. Adopt Action Memorandum No. 2019-15; Authorizing a contract to Appraisal Company of Alaska, LLC to provide city assessment services

MOTION: Chris Napoli moved and Andy Anderson seconded the motion to approve Action Memorandum 2019-15.

Two proposals were received. A committee met to review the bids. The process was verified and validated. A protest was received from the company that is not being awarded the contract. The protest has been considered. The process was not found to have any inconsistencies and the Manager recommends awarding the contract to Appraisal Company of Alaska, LLC. Council can approve the Action Memorandum or direct staff to pursue another direction.

VOTE: The motion passed by unanimous voice vote.

11. CITIZEN'S DISCUSSION (Open to the Public)

Paul Liedberg:

- Thanked staff for their work.
- Reported that radio spots done by the City Manager are well received by the community.

12. COUNCIL COMMENTS

Gregg Marxmiller:

- Thanked the Mayor and the Manager for participating in the SAFE meeting.
- Noted the work done by staff. Stated a citizen commented favorably on the condition of Squaw Creek Road.

Chris Napoli:

- Wished Happy Holidays to all.
- Commented regarding Mr. Backford's concerns with BBAHC, and the potential economic impact.

Andy Anderson:

- Congratulated the Mayor for being recognized by AML.

13. MAYOR'S COMMENTS

PFAS article was run in Bristol Bay Times was noted by the City Manager, noting the city has not been contacted by the State regarding this issue.

Alice Ruby:

- Reminded all about council training on December 9th at 5:30 p.m.
- January regular council meeting is on the January 2nd. This will be moved to January 16th for calendaring purposes due to the New Year holiday.
- MOU with the Tribal Council is being worked on. The healthcare issue can be added to the agenda topics. A joint SB/CC council meeting is being worked on finding a date. A meeting with Representative Edgmon will be scheduled after the first of the year.
- Community Dialogue meeting was beneficial. The City desires the State D.A position to continue to be filled.
- Thanked Council and Manager for the nomination for the AML award. Noting a good foundation is necessary to succeed.
- Stated tomorrow is the Legislative luncheon at the college campus.
- A moment of silence was observed for those lost since the last meeting.

14. ADJOURNMENT

Mayor Ruby adjourned the meeting at 8:10 p.m.

Mayor Alice Ruby
[SEAL]

ATTEST:

Lori Goodell, City Clerk

Approval Date: _____

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Bill Rodawalt
Vacant
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: January 10, 2020
To: Mayor and City Council
From: Tod Larson
Subject: Monthly Staff Report

Personnel – Welcome to our new employees and thank you to those that have served the City faithfully and are moving on to other positions/careers.

New Employees:	Luke Moody – Public Works Director
Resignations:	Bryon Nanalook – Buildings and Grounds Assistant
Transfers:	Ben Glosser – Dock to Buildings and Grounds Chloe Nanalook – Accountant I to Accountant II
Position Vacancies:	Police Officer Accountant I - Cashier

Public Works Director. Luke Moody arrived in mid-December and has hit the ground running. Looking forward to working with him in the future.

Nushagak Electric and Telephone Co-op. NETC filed an appeal with the 3rd Judicial District in Dillingham on 1/3/20. We are on standby waiting for further information on this case.

AKOSHA. The City received a letter regarding Worker’s Compensation lost time injuries from FY18. We are considered to be in the High Hazards Targeting Inspection Plan and may receive an unannounced inspection due to having at least three lost time injuries in FY18. I’m currently working with the State of Alaska to mitigate this status.

Information Technology. The ACS computer tech will be in Dillingham to install the new servers and computers the week of 1/13 – 1/17. All hardware is in Dillingham currently and awaiting install.

FY21 Budget. The FY21 Budget Cycle is already upon us. I'm working with Department Heads and our Finance Officer to initiate our process. It appears that the State's FY21 Budget will be a near duplicate from last year with not many changes. Our plan is to project a flat budget through FY21.

Respectfully Submitted,
Tod Larson

BOYD, CHANDLER, FALCONER & MUNSON, LLP
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911 WEST EIGHTH AVENUE
ANCHORAGE, ALASKA 99501
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December 6, 2019

Mr. Tod Larson
City Manager
City of Dillingham
P.O. Box 889
Dillingham, AK 99576

Re: 2019 Legal Year in Review

Dear Tod:

This letter is intended to keep you and the City Council informed regarding overall legal expenses incurred during 2019. These figures are taken from our billings and have not been audited. Expenses are billed each month rather than assigned to a particular billing matter. We have not attempted to break down expenses in this report. We have not double checked our math. Nevertheless, this gives a very good picture on the legal services provided between January 1, 2019 and October 31, 2019. This can be considered a public document.

In summary, the City spent \$30,067.22 in legal fees and expenses during the last ten months. About \$3,000 per month. Of this amount, \$969.22 were costs and \$29,098 were fees. This money was spent in the following general categories.

General Counsel Activities - \$7,525

We advised on the PFAS contamination issue. We advised on ballot language issues for the bond ordinance and reviewed the bond ordinance. We assisted in preparing a Denali Commission grant application. We advised on an ethics issue. We analyzed the ability of the city to dedicate tax proceeds. We advised on issues related to the closing of Grandma's House. We advised on issues relating to the University of Alaska lease.

Sales Tax Matters - \$2,887

We advised on the application of sales tax to sales made over the internet. We advised on the NETC refund request.

Personnel - \$6,604

We assisted with the negotiations with PSEA and Local 71 with special emphasis on CBA language related to implementation of the Janus decision. We advised on a disciplinary matter and on an employee complaint. We drafted the city manager contract extension. We analyzed the city's liability for acts of elected officials on personnel matters.

Mr. Tod Larson
December 6, 2019
Page 2

Property Tax Foreclosures - \$2,086

We obtained the court order for foreclosure that covered tax years 2012- 2017 and advised on issues related to certificates of redemption. We also finalized the foreclosure court filings for tax years 2014-2018. The majority of legal fees incurred for foreclosures are eventually recovered from delinquent property owners.

Public Safety Department - \$181

We advised on the chief's employment contract. We advised on an issue related to a traffic stop.

Vitus Appeal - \$7,384

We successfully defended the appeal in the Superior Court. The City was entitled to an award of partial attorney's fees but settled a related appeal for the subsequent tax year as well as avoided a possible appeal to the Alaska Supreme Court by agreeing to forego attorney fee recovery from Vitus.

Port - \$594

We advised on the Motive Marine lease.

Water-Sewer - \$3,598

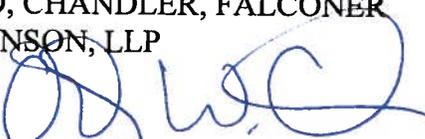
We assisted with an AEDC loan application. We advised on an issue regarding title to easements needed for an improvement project.

As always, we appreciate the opportunity to be of service to the people of Dillingham. 2019 saw a reduction in legal expenses. I would expect 2020 fees to possibly be even lower. The most immediate need for legal services will relate to the city's participation in the Alaska Remote Sales Tax Commission. This will require work to adopt the uniform Remote Seller's Sales Tax code and most likely require revisions to the sales tax ordinance administrative provisions and definitions. If you or the City Council have any questions about particular matters or how we provide our services to Dillingham, please let us know.

Very truly yours,

BOYD, CHANDLER, FALCONER
& MUNSON, LLP

By:



Brooks W. Chandler

BWC/lkr

City of Dillingham
House District 37 / Senate District S

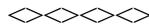
~ 11/27/19 ~

31st Alaska State Legislature ~ 1st Interim

NOVEMBER 2019 – LEGISLATIVE REPORT

Cliff Stone / City Lobbyist

~ School Funding decreed legitimate by the Alaska Superior Court ~

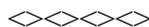


Attorneys for the Alaska Legislature prevailed successfully arguing for this method of funding. As reported on last month, arguments had been heard by the Alaska Superior Court concerning Alaska’s prohibition against dedicated funds being appropriated by the Legislature in advance for our schools. Although that funding bill had been signed into law, the current administration deemed it unconstitutional and went to court. The current legal agreement for the transfer of money to districts will continue unabated. An appeal will be filed with Alaska Supreme Court according to Alaska AG Kevin Clarkson.

Alaska Senate Republicans confirmed the appointment of Representative Josh Revak on November 2, 2019 to fill the vacancy for the Alaska Senate District M seat. He had been appointed by the governor to fill the vacancy on September 27th.

The confirmation of Senator Revak to the Alaska State Senate now creates a vacancy for Alaska House District 25 seat. Pursuant to AS 15.40.320, the Governor will have 30 days to name an appointment, subject to confirmation by Republicans in the House.

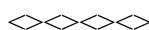
With that, the governor has since appointed Mr. Mel Gillis of Abbott Loop to represent folks in that South Anchorage district. According to the governor’s website, Mr. Gillis has lived and worked in Alaska for 55 plus years with a diverse career. His selection will now be considered by House Republicans. If approved, he will serve until the next general election.



PUBLIC NOTICE – EDUCATION CIP RANKINGS

Pursuant to AS 14.11.013(e) and 4 AAC 31.026(a), the Department of Education & Early Development will hold public hearings to receive oral and written comments on the priority ranking of proposed school construction and major maintenance projects for FY2021, which is available to view at: education.alaska.gov/facilities. Unless there are additions to the posted list, Dillingham is not affected.

The hearings will be held Wednesday, November 27, 2019, from 9:30 a.m. to 4:30 p.m., 2nd floor conference room, 801 W. 10th Street, Juneau, via teleconference or in person. All hearings are by appointment and open to the public. Since this is today’s date, I’ll report on any significant action.



RECALL EFFORTS – 2nd UPDATE

A lawsuit to determine the legality of the recall campaign against Gov. Mike Dunleavy will be argued Jan. 10, 2020 by Anchorage Superior Court Judge Eric Aarseth after he heard from Recall Dunleavy attorney Susan Orlansky. The court also heard from senior assistant attorney general Margaret Paton-Walsh, representing the state, and attorney Brewster Jamieson, representing the anti-recall group Stand Tall With Mike for the January timeframe.

The Alaska Division of Elections, citing a legal opinion by the Alaska Department of Law and Attorney General Kevin Clarkson, declined to certify the recall effort. The legal opinion said that recall backers had not met the standard for a recall.

In the meantime, both sides will be trading legal positions by email. Regardless of Aarseth's verdict, both sides expect an appeal to the Alaska Supreme Court. If both the Superior Court and Supreme Court rule in favor of the legality of the recall campaign, backers would undertake another round of signature-gathering necessary to call a special election.

Any special election would take place 60 to 90 days after the Division of Elections determines enough signatures have been gathered. As stated in several news reports, 71,252 signatures will be necessary.



GOVERNOR'S CORNER

<http://gov.alaska.gov>

Handy phone numbers for Governor's offices: Anchorage: 907-269-7450 and Juneau: 907-465-3500

The Governor has appointed Glen Klinkhart as the Interim Director of the Alcoholic Beverage Control Board and the Marijuana Control Board (AMCO) pursuant to AS 04.06.070 and AS 17.38.140.

Department of Revenue Commissioner Bruce Tangeman is resigning, but will continue in his role until a replacement is named. This position is responsible for the Revenue's Fall Revenue Forecast and plays a vital role in the rollout of budgets for any given fiscal cycle.



WEBSITES OF INTEREST

Online Public Notices for Alaska <https://aws.state.ak.us/OnlinePublicNotices/default.aspx>

2019 Legislators Contact List <http://akleg.gov/docs/pdf/whoswho.pdf>

2019 1st Interim Staff Contact List <http://akleg.gov/docs/pdf/InterimPhoneList.pdf>

2019 1st House / Senate Committee List <http://akleg.gov/docs/pdf/commlist.pdf>

Congressional Delegation websites (Current phone numbers will be listed on these sites)

<http://murkowski.senate.gov/public> www.sullivan.senate.gov <http://donyoung.house.gov>



The next regular session of the 31st Alaska State Legislature begins on Jan. 21, 2020. This will be the 2nd session and is scheduled to run 90 days, although in recent years they have continued until the constitutionally limit of 121 days. Meanwhile, the governor's new draft budget is due on Dec. 15th.

~ End Report ~

Happy Thanksgiving! Trust all had a wonderful time with their family and friends. ~ Cliff

City of Dillingham
House District 37 / Senate District S

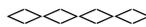
~ 12/26/19 ~

31st Alaska State Legislature ~ 1st Interim

DECEMBER 2019 – LEGISLATIVE REPORT

Cliff Stone / City Lobbyist

~ Fiscal Year 2021 Budget Released ~



Governor Dunleavy announced his Fiscal Year (FY) 2021 budget a little early on December 11th.

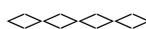
The FY21 budget totals \$4.532 billion Unrestricted General Funds (UGF), \$969 million Designated General Funds (DGF), \$760.3 million Other State Funds, and \$3.9 billion Federal Funding, reflecting a flat budget over FY 20. The FY 21 budget provides a full statutory PFD, fully funds K-12 education, and increases resources to public safety through the Department of Public Safety, the Department of Corrections, the Department of Law, and the Alaska Court System.

Before he ducked out of his own press conference after only 10 minutes, Dunleavy stressed that the public should have input on how the budget is put together and how it's funded. He said that includes his three constitutional amendments that haven't received any serious legislative attention since they were introduced. Those include **HJR 4, HJR 5, and HJR6**. Companions in the Senate are **SJR 4, 5, and 6** respectfully. In short, the proposed amendments would make it nearly impossible to pass new taxes, enshrine the Permanent Fund Dividend (PFD) as a guaranteed payout, and place stringent limits on state spending. Several legislators have dismissed the proposed amendments as overly restrictive and undermining the role of the Legislature's role as well as the public initiative process.

The governor is not putting forward any proposals for additional revenue, whether it be through last year's proposal of confiscating oil and gas property tax revenue from local communities or through taxes, which he opposed last year.

He once again has a pledge of fully funding the PFD's, proposing to pay out a \$3,170 PFD along with the \$1,400 cut from this year's dividend. To balance the budget, he is proposing a \$1.5 billion withdrawal from the state's Constitutional Budget Reserve (CBR) to cover the deficit in his proposal. For the repayment of the dividend, it would also require the state to break the spending limit set on the Alaska Permanent Fund by the Legislature in 2018. Angela Rodell, CEO of the Alaska Permanent Fund Corp., said the corporation's trustees have previously urged the governor and Legislature to stick to the rules limiting transfers.

The governor said he believes the 40-year-old dividend formula should trump the new spending limits. However, the fund would be nearly depleted after that withdrawal and would not be sufficient to cover the anticipated deficit in the following year's budget, leaving the earnings from the Alaska Permanent Fund as the last remaining source of money.



EDUCATION BILL OF RIGHTS

Supporters of a proposed “education bill of rights” have announced they will stop gathering signatures to put their idea on the 2020 election ballot. In a written statement, the group backing the measure said the ballot initiative process “is not feasible at this time” for “an issue as large and complex as the Alaska Students’ Education Bill of Rights.”

Alaskans for Excellent Public Education, the registered group behind the initiative, said it received a large amount of support, but was unable to include the suggestions of supporters and the current initiative did not include “many organizations whose contributions would have created a more comprehensive and successful initiative.”



RECALL EFFORTS – 3rd UPDATE

I’ve included a summary of the proceedings thus far because if this indeed does go to the voters, it will be historic as recalling a governor is almost unprecedented. Only three governors have faced a recall election, though there have been many attempts. Wisconsin Gov. Scott Walker, defeated a recall vote seven years ago. In 2003, California voters recalled Gov. Gray Davis, a Democrat who was replaced by Republican Gov. Arnold Schwarzenegger. In 1921, Gov. Lynn J. Frazier of North Dakota was recalled by voters.

The effort to remove Alaska Gov. Mike Dunleavy from office will be argued in court in January. Legal documents that have been filed indicate both sides will ask Anchorage Superior Court Judge Eric Aarseth to define a two-word phrase that will determine whether the recall advances. Alaska’s Constitution allows the removal of state officials for cause, but state law says that the reasons for removal must be “described in particular in not more than 200 words.”

The group Recall Dunleavy submitted language that met the word count, but the Alaska Division of Elections rejected it in November. Recall Dunleavy sued to overturn the decision, and in a response filed Monday, state attorney Margaret Paton-Walsh said recall backers failed to state their claim “in particular.”

“Because the recall committee’s statement of grounds fails to state with particularity conduct that meets the statutory criteria of cause, the Director of Elections correctly declined to certify the recall and this court should affirm that decision and grant summary judgment to the state,” Paton-Walsh wrote.

Scott Kendall, an attorney for Recall Dunleavy, said by phone that this particular section of state law is so “the target of the recall knows what you’re talking about.” In this case, he said, it’s clear what the recall is referencing. When recall supporters wrote their grounds for recall, they said the governor had failed to appoint a judge on time, improperly vetoed money from the state budget and misused state funds for partisan ends.

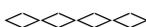
Alaska’s Supreme Court — the ultimate destination of the recall case — has previously considered the recall of municipal officials, but it has never considered the recall of a state official. While Aarseth’s decision will be appealed, Kendall said it will set the battlefield for the Supreme Court, making it critical. In conjunction with Monday’s response, the state asked Aarseth to exclude supplementary material submitted by Recall Dunleavy.

The 200-word recall statement includes footnotes referencing additional material. Paton-Walsh said Aarseth should not consider the material referenced in the footnotes when considering whether the statement meets legal standards. Voters, Paton-Walsh wrote, will not have that extra material in front of them on the ballot: They will have only the 200-word recall statement and a 200-word rebuttal.

Stand Tall With Mike, an independent group opposing the recall, supported the state’s filing with one of its own. “The court must limit its review to the words of the application and cannot rely on extraneous materials to save a doomed application,” wrote Stand Tall With Mike attorneys Craig Richards, Brewster Jamieson and Michael Baylous.

Assistant attorney general Maria Bahr, a spokeswoman for the Department of Law, said in a written statement that all grounds for recall do not meet the legal standard within the 200-word limit. “Some of the allegations fail because they lack particularity. Some fail because, assuming the alleged facts to be true, they do not establish that the governor neglected his duties, lacks the fitness to perform the job, or is incompetent,” she wrote, referencing the four reasons for which a state official may be recalled. Recall Dunleavy will file a response to previous motions before Aarseth hears the case in January, Kendall said.

This summer, recall backers gathered 49,000 signatures in five weeks. If the recall campaign prevails in the courts, it would need to gather 71,252 signatures. If the Division of Elections deems that process legal, an election would be called within 60 to 90 days.



REDISTRICTING

The Redistricting Planning Committee that will plan Alaska’s legislative redistricting that occurs every 10 years has conducted its first meeting. Redistricting involves redrawing Alaska's legislative districts to align with figures from the federal census, which also occurs once every decade.

The committee’s five members include two appointed by the governor and one each by the Alaska Supreme Court chief justice, the House speaker and the Senate president. The committee members include Jordan Shilling and Bethany Marcum, both appointed by Republican Gov. Mike Dunleavy; Jane Conway, appointed by Republican Senate President Cathy Giessel; T.J. Presley, appointed by independent House Speaker Bryce Edgmon; and Jill McLeod, appointed by Supreme Court Chief Justice Joel Bolger.

The final decisions about where district lines are drawn will be made by a separate redistricting board authorized by the Alaska Constitution. Those board members will be appointed in the same way as the planning committee, with the additional requirement that members represent different geographic areas of the state.



HOUSE DISTRICT 25 – NEW REP.

House Republicans considered and approved Mr. Mel Gillis of Abbott Loop to be the new House District 25 Representative. His appointment was precipitated by Representative Josh Revak being approved as the new senator for Senate District M. That left the House seat vacant and so the nomination and approval process started again for the district. Mr. Gillis will serve until the next general election in November.

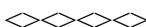


GOVERNOR'S CORNER

<http://gov.alaska.gov>

Handy phone numbers for Governor’s offices: Anchorage: 907-269-7450 and Juneau: 907-465-3500

Mike Barnhill has been appointed acting commissioner of the Alaska Department of Revenue. Barnhill was the director of policy in the Office of Management and Budget.



ENHANCED 511 TRAVELER INFORMATION SYSTEM

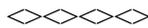
On Dec. 27th the Alaska Department of Transportation & Public Facilities (DOT&PF) launches a new enhanced 511 Traveler Information System. 511.alaska.gov will be mobile optimized, customizable, and include 'crowd sourced' travel information. There is also a new 5-1-1 phone system. The Alaska 511 system provides travelers with statewide traffic and road condition reporting.

The new website will include automated data generated from several sources including integration with the Waze app so other drivers can provide travel information, National Weather Service forecasts, and traffic speed data.

Travelers who use the current 511 system will need to do two things:

Delete the current Alaska 511 app and download the new app on iTunes or Google's Play store.

Register on 511.Alaska.gov for a my511 account to receive travel alerts.



WEBSITES OF INTEREST

Online Public Notices for Alaska <https://aws.state.ak.us/OnlinePublicNotices/default.aspx>

2019 Legislators Contact List <http://akleg.gov/docs/pdf/whoswho.pdf>

2019 1st Interim Staff Contact List <http://akleg.gov/docs/pdf/InterimPhoneList.pdf>

2019 1st Session House / Senate Committee List <http://akleg.gov/docs/pdf/commlist.pdf>

Congressional Delegation websites (Current phone numbers will be listed on these sites)

<http://murkowski.senate.gov/public> www.sullivan.senate.gov <http://donyoung.house.gov>



The next regular session of the 31st Alaska State Legislature begins on Jan. 21, 2020. This will be the 2nd session and is scheduled to run 90 days, although the constitutional limit is 121 days.

~ End Report ~

MERRY CHRISTMAS! *When asked by my grandchildren if I believe in Santa Claus, my reply is always the same – "If Santa is everything good in the world and brings joy and happiness, then yes, I believe!" ~ Cliff*

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Bill Rodawalt
Vacant
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: January 7, 2020
To: Tod Larson, City Manager
From: Lori Goodell, City Clerk
Subject: Monthly Staff Report

Foreclosure:

3DI-18-157CI. The mandatory period of redemption required by law will be reached on February 11. Letters will be going out to those still on the list to notify them the redemption period will be expiring and the City will be applying to the Court for a tax deed on all unredeemed property.

3DI-19-00122CI. An affidavit with an updated foreclosure list will be filed with the court in this action. The City Attorney will make a motion for judgment of foreclosure. When this motion is signed by the Judge the period of redemption begins.

The Finance Department is working on the list of delinquent accounts from the 2019 tax year. Final payments were due on December 1, 2019. When completed this list will go to council with a resolution to authorize a new action with the court.

Training:

I attended the AAMC conference in Anchorage, November 17-20, 2019. This was a fantastic opportunity to learn as well network. I have attached my trip report for your review.

I have registered for the Northwest Clerks Institute, Professional Development II training. This is scheduled for the week of June 7th and is the second round of training in this program. This training is essential in gaining the CMC designation. Subsequently I have applied for a scholarship through Alaska Association of Municipal Clerks to help defray the cost. If I am not awarded this scholarship I will look into other funding sources.

Committees:

Code Review Committee reviewed Liquor License renewal application for Dillingham Liquor Store. Discussion continues on the plastic bag ban.

Friends of the Landfill have expressed interest in having a presence on the city website. Committee Chair will work with me regarding this request.

BOE Appraisal Company of Alaska was awarded the assessor contract. We have previously worked with this company and they are very familiar with Dillingham. We met with Arne Erikson to begin work for the 2020 tax year. In looking at schedules going forward we discussed a tentative date to hold the BOE for the week of April 27.

Code Supplement:

Code Publishing has provided supplement 18. This brings code current through all ordinance passed in 2019. I have sent the supplement to all departments. The Dillingham Municipal Code is available to everyone online.

STANDING ITEM(S):

Liquor & Marijuana License Renewals/Transfers/New Licenses.

Dillingham Liquor Store has applied with the State of Alaska for a renewal on their liquor license. The information regarding the renewal is in the council packet.

Commission/Board Seats Vacant.

- Two open seats on the Senior Advisory Commission. One letter of interest received.
- One open seat on the School Facility Committee. No letter of interest received.
- Two open seats on the Port Advisory Committee. No letter of interest received.
- Two open seats on the Planning Commission. One letter of interest received.

Clerk Note:

Minutes:

The purpose of minutes is to preserve an accurate record of a council's actions. Council minutes are not intended to inform absent members of all that went on at the meeting they missed, to create a record of the reasons for a council's decision, nor to demonstrate the eloquence and brilliance of elected official to their public.

(Ann G. Mcfarlane, 2013)



City of Dillingham Trip Report

1. Course/Class/Conference Name:

Alaska Association of Municipal Clerks 53rd Annual Conference

2. Date(s) attended/location:

November 17-19, 2019
Anchorage, Alaska

3. Participant(s):

Municipal Clerks throughout the region

4. Main topic(s):

Managing Attitude
Public Records Requests
Legal Issues
Understanding Threats/Attacks

5. Detailed discussion of training/event:

Sunday, November 17th was focused on being cognizant of attitude. Discussion centered on the difference a positive attitude can make.

The conference opened up with a welcome breakfast followed by opening ceremonies. The leadership of AAMC was introduced.

I attended two sessions on Monday Public Records Requests, and Legal Issues. Both subjects are crucial issues in the clerk's office and bring home the importance of transparency in local government. A power talk session was also held on Monday and I participated in Certification/Continuing Education, Parliamentary Procedure, Title 29, and PIO/Social Media, to share information with other clerks in the state.

A general session was held Tuesday. The topic was Recognizing/Understanding Threats & Potential Attacks and the Clerk's Role in Emergency Crisis Management. Recent studies have shown that politicians and government officials are at the greatest risk for targeted violent attacks. Many examples were cited.

The need for communication and interagency cooperation were stressed. The importance of reporting threatening behaviors was noted. Triggers and stressors were reviewed. Research, planning, and preparation were identified as critical components to increase effectiveness in a crisis situation. How to convey pertinent information to emergency responders was also reviewed.

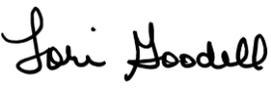
6. How it could/will impact the City of Dillingham:

To be most effective in the roll of Clerk, training and networking are vital. The clerks are set up to exchange ideas and assist with questions that arise as well as impart the most up to date information regarding municipal issues.

This position requires obtaining a CMC status and this conference continues to add toward achieving that requirement.

7. Recommendations for the City of Dillingham:

A review of the records request policy and form to verify consistent application is recommended. Also, a discussion regarding potential threats to review threatening behaviors and implement training would be a positive program for local municipal employees.

Signed: 

Date: 12/19/2019

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Bill Rodawalt
Vacant
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: November 30, 2019
To: Tod Larson, City Manager
From: Anita Fuller, Finance Director
Subject: Monthly Staff Report (11/01/2019 to 11/30/2019)

Statistics August:

Payrolls run: 2
Cash Receipts: \$2,039,264.84
All checks amount: \$2,016,957.05 (includes \$188,158.60 for 2 payrolls)

Finance Director was out for Medical starting 11/19/2019. Cameron Malstrom was the Acting Finance Director. Cheryl Bartlett with Carmen Jackson, LLC came to assist open projects from 11/16/2019 through 11/22/2019.

Accounting Technician II position became open. Ben Glosser has joined us temporarily until permanent positions are filled.

FY19 Audit is in progress. November 2019 financials not completed due to Director Absence.

Jeff Durantee with Computer Works NFP Solutions spent a day in the office to improve efficiency of the AccuFund software and providing adjustments unique to our department.

After council approval signed the insurance renewal of a 3% increase for Premera Medical and Dental that could go in effect January 1, 2020.

Business License & Tobacco license renewals were mailed out. 18 business renewal fees have been paid.

Personal Property tax assessment forms were mailed out. Assessment forms are to be filled out by all with personal property tax and returned by February 1, 2020.

Mayor
Alice Ruby

Manager
Tod Larson



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MEMORANDUM

Date: December 31, 2019
To: Tod Larson, City Manager
From: Anita Fuller, Finance Director
Subject: Monthly Staff Report (12/01/2019 to 12/31/2019)

Statistics August:

Payrolls run: 2
Cash Receipts: \$930,703.42
All checks amount: \$537,157.34 (includes \$185,129.90 for 2 payrolls)

Finance Director was out for Medical and returned 12/16/2019. Cameron Malstrom was the Acting Finance Director during the absence.

Accounting Technician II position was filled by Chloe Nanalook. Her experience will be very helpful in making the transition from Accounting Technician I.

FY19 Audit is in progress.

Progress has been made on the foreclosure actions for 2018 and 2019. Those who have not paid their 2019 property taxes will be receiving a 30 day notice in January.

December 2019 financials will be reviewed at the upcoming F&B meeting.

191 business renewal fees and 3 tobacco renewals have been paid.

A letter was sent out in October to many taxpayers to promote awareness of the exemption. This has generated a lot of attention and many have called to get clarification and several forms were filled out for the 2020 tax year.

Staff have expressed their appreciation for the added Admin holidays and enjoyed the time off. Thank you Council for this gift.

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
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Gregg Marxmiller

MEMORANDUM

Date: January 7, 2020
To: Tod Larson, City Manager
From: Sonja Marx, Librarian
Subject: Monthly Staff Report

We were without our school librarian while school was not in session (December 23rd through January 7th). With the shortage of staff, we made adjustments to the schedule so that some library staff could spend time with visiting family from out-of-town over the holidays. The library was always covered and open, allowing staff to have some days off. We all were thankful to have Christmas Eve/Day and New Year's Eve/Day off.

The library took advantage of a black Friday special offered to us. We purchased a new Blu-ray/DVD repair machine that cleans and fixes discs so they can be viewed again. Normally over \$7,000, we got the machine for half-the-price. This one-step-process (literally put the disc in the machine, close the door, push the button, & it is done) will free up staff time in repairing them & also put previously purchased movies back into circulation. Our staff can also repair patron's personal movies for a fee of \$2 per disc. Grant money and funds from the Halloween Fundraiser made this purchase possible.

The FCC Form 470 was filed and certified in December; we should soon be getting bids for internet starting our FY 2021. We also were given the FY 2020 OWL Internet Award in the amount of \$5,983.20. This MOA helps cover the 10% that E-rate doesn't provide. With this funding, the city is only paying \$125 a month for our internet.

Library Stat report November 25th, 2019 – January 4th, 2020:

Patron Visits: 1,400 Computer Use: 205 Wireless Use: 120 Story Hour: 33
Other Visits (including Classes): 122 Museum Use: 36 Movies Shown: 3
AWE Station Use: 14 Volunteer Hours Logged: 5

Library Advisory Board meeting 5:30 pm Tues., Jan. 21st at the Library
Seat C remains vacant

Library was closed Tues. & Wed., Dec. 31st & Jan. 1st for New Year's

City of Dillingham Page 1 of 1
Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.

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Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
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Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: January 9, 2020
To: Tod Larson, City Manager
From: Cynthia Rogers, Planning Director
Subject: Monthly Staff Report

Planning Commission

The Planning Commission met on January 8 at 5:30 pm. The Commission approved recommended floodplain code updates to be FEMA NFIP compliant, the 2020 CIP List, and the CIP process recommendation. The 2020 designation of officers was also addressed, with Kaleb Westfall serving as chair and Jason Lamson serving as deputy chair.

Permitting

- Burial Permits – Two permits have been processed.

Capital Projects

Please see the attached FY19 Capital Improvement Project Priorities Progress Update.

Dillingham Downtown Streets Rehabilitation

Project No.: Z571800000

JJC Enterprises, Inc. was awarded the contract for this project. We expect the contractor will begin mobilization, with potential demolition of Dillingham Hotel, sometime in the spring.

Requests for Proposal

- None at this time.

Grants

An application for EPA Brownfields Assessment grant was submitted in December to support further assessment and revitalization planning for the Bingman site. Other grant applications are expected this spring in support of capital projects. Details will follow as they become available.

Waterfront Strategic Plan

McDowell Group and PND Engineers, Inc. visited Dillingham on December 2-3 to discuss the Dillingham Waterfront Strategic Plan Draft Report at an Open House event. Additional stakeholder outreach is expected before finalization of the report.

Project Management Professional (PMP)

I am continuing study to complete my course certificate and apply for eligibility to test for the PMP. I expect to complete these requirements in January and be ready to sit for the PMP in February.

City of Dillingham

Page 1 of 1

Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.



**FY19 Capital Improvement Project Priorities
Progress Update December 2019**

Special Project – Bingman Clean-Up **\$300,000 (estimate)*

Major debris removal has been completed at the Bingman site. To address the clean-up of hazardous substances at the site, a Phase II Environmental Site Assessment will be sought. A Brownfields Assessment Grant application was submitted in December in support of funding for the next phase of the project, which will include a site revitalization plan. The City anticipates full completion of all project phases within 5 years, to include assessment, clean-up, planning, development, and/or reuse of the site.

Construction: \$300,000 (estimate)

- Funding established by Council as the insurance settlement from fire.

Project Timeline:

- TBD – Pending Funding Identification

Special Project – Wastewater Treatment Relocation Study **\$211,071 (estimate)*

In March 2019, CRW Engineering was awarded a one year contract for Engineering Services, AM 2019-01. In April, the Denali Commission awarded the City of Dillingham \$171,900 for Wastewater Treatment Lagoon Erosion Mitigation Study. A fee proposal to prepare the Wastewater Treatment Relocation Study was submitted by CRW Engineering in May for \$211,071. The difference of \$39,171 has been appropriated in the FY20 budget. The City hosted an Open House on October 22 and received feedback from the public. The draft report is posted to our website we will continue accepting comment until the final report is completed. CRW provided additional material as a supplement to the draft report that is currently under staff review.

Project Timeline:

- Early July – Site Visit
- Mid-July – Trip Report
- October 22 – Draft Report & Public Meeting
- Two Weeks Post – Draft Final Report
- January – Final Report

Special Project – Wells Fargo/VEEP Outdoor Lighting **\$50,000 (estimate)*

The City was awarded a \$50,000 grant under the Wells Fargo Outdoor Lighting Retrofit/Village Energy Efficiency Program. The City pledged another \$15,000 in-kind to support the project,

which will consist primarily of personnel related costs. The grant provides funding for the replacement/retrofit of exterior lighting to LED technology. We have been assigned an AEA project manager and have started our project scoping. The grant will enable us to replace 8 street lights and 49 other exterior lights. With a month of electrical expenses for the City averaging over \$20,000, we believe this award will provide significant cost savings with conversion to LED technology. I am currently awaiting LED model selection from the Port and Public Works Directors before submitting for AEA approval and purchasing. This information is also required for the RFP. The first quarterly grant report is due on January 20.

Project Timeline:

- October-December 2019 – Project Scoping
- January-February 2020 – Project Solicitation & Award
- April-July 2020 – Project Start/Completion
- September-November 2020 – Project Close-Out

#1 – Wastewater System Upgrades, Aeration **\$739,891 (estimate)**

Design: \$89,891 (estimate)

- Bristol Engineering has been contracted to complete the design for this project.
- ANTHC funding has been used for the design expenses.

Construction: \$650,000 (estimate)

- City to develop RFP.
- ADEC SRF Loan Questionnaire submitted August 31, 2018; AK Clean Water Fund, Point Source Project Priority, Q3 prioritized #3.
- ADEC SRF Loan Application in progress for \$650,000.
- SFY20 Q2 Project Priority List indicates a potential subsidy of \$335,000.
- Funding alternative is USDA Water and Waste Disposal Loan and Grant Program.

Project Timeline:

- January 22, 65% Design
- March 22, 95% Design & ADEC review & permission to construct
- April 10, DEC approval to construct received
- May 3, 100% Design
- TBD RFP Release, RFP scoring, evaluation, and recommendation for contract
- TBD, Construction begins; Project close out

#2 – Public Safety Server Room Fire Protection **\$67,000 (estimate)**

Proceeding with blower door test. Results will determine scheduling for system certification.

Construction: \$67,000 (estimate)

- RFP awarded to Wolverine Supply, Inc.
- E-911 Grant funding will be used for this project.

Project Timeline:

- December, 2018 Installation of Clean Agent System
- August, 2019 Air Sealing of Server Room
- TBD, GNW Fire Services air sealing and system certification; project close out

#3 – Landfill Groundwater Monitoring Wells

\$349,373 (estimate)

An NTP has been issued to the contractor on January 8, 2020 to begin work, with the improved ground conditions, and substantial completion date of February 14, 2020.

Design: \$23,202 (estimate)

- Bristol Engineering has been contracted to complete the design for this project.
- City funding will be used for the design costs.
- Cost overrun of \$5,404.00 due to project delay (originally \$17,798)

Construction: \$161,928 (estimate)

- ADEC SRF Loan Questionnaire submitted August 31, 2018; AK Clean Water Fund, Non-Point Source Project Priority, Q3 prioritized #2.
- ADEC SRF Loan Application submitted March 12, 2019 for \$331,575.
- ADEC SRF Loan Re-Application submitted October 10, 2019 for \$366,897.03 (to reflect cost overrun).
- ADEC SRF Loan agreement in the amount of \$367,000 was signed on December 18, 2019, with a subsidy amount of \$137,610, and repayment amount of \$229,390 (1.5%, 20 year term).
- Funding alternative is USDA Water and Waste Disposal Loan and Grant Program.
- RFP was developed by Bristol Engineering.
- Denali Drilling was only bidder for the project.
- Cost overrun of \$29,918.03 due to project delay (originally \$132,010).

Additional Project Costs: \$218,542 (estimate)

- Bristol Engineering has been contracted for these services at \$199,565.
 - o Administration, \$298.00
 - o Construction Oversight, Sampling and Reporting, \$199,267.00
- Cost Overruns due to project delay:
 - o Bristol Engineering (additional sampling for spring), \$18,977.00

Project Timeline:

- October, 2018, Project Manual/Permit Set
- November, 2018, ADEC review and approval to construct
- January, RFP Release
- February, RFP scoring, evaluation, and recommendation for contract
- March, Contract awarded
- April, On-site evaluation determined construction should be delayed until fall
- January 2020, Construction NTP issued
- April 1, 2020, Project close out

#4 – Water System Improvements, Downtown Streets Support

\$3.68M (estimate)

A contract has been signed and the performance bond has been received.

Design: \$224,715 (estimate)

- CRW Engineering Group LLC has been contracted to complete the design for this project. Additionally, CRW is expected to handle ROW, easement, ADEC permitting, temporary construction permits, and construction administration for the City.
- City funding will be used for 30% of the design costs; MMG 28308 will be used for 70% of the design costs.

Construction, Phase I (DOT Project Footprint & Downtown Core): \$1,987,249 (estimate)

- CRW to develop RFP.

- ADEC SRF Loan Questionnaire submitted November 30, 2018; AK Clean Water Fund, Point Source Project Priority, Q3 prioritized #17.
- MMG 28308 will provide 70% up to approximately \$1.4M total cost, with 30% matching.
- ADEC SRF Loan Application for \$600,000 submitted 4/10/19, was approved on 8/27/19.
- Funding alternative is USDA Water and Waste Disposal Loan and Grant Program.
- Expected URSA billing (DOT Project Footprint) is estimated at \$364,515. This number may change based on project actuals.
- Apparent Low Bidder (Downtown Core): JJC Enterprises, \$1,622,734.

Construction, Phase II: TBD

Construction, Phase III: TBD

Project Timeline:

- January 9, 75% Design (All Phases)
- February 11, 100% Design for Phase I (DOT Footprint)
- February 27, 100% Design (All Phases)
- TBD, ADEC review and approval to construct
- August, RFP Release; RFP scoring, evaluation, and recommendation for contract
- September, Contract awarded; Construction begins TBD
- May 2020, Phase I Project close out

#5 – Lake Road Fire Hall Renovation

\$589,200 (estimate)

LCG Lantech's has provided a proposal in the amount of \$18,295.42 for additional project scoping (heating system and flooring changes), including updated design drawings, specifications, and engineers cost estimate. This additional cost is being considered before determining next steps.

Design:

- LCG Lantech Inc. and RSA Engineering, Inc. have provided 100% design and specifications for this project.

Construction: \$560,000.00 (estimate)

- City of Dillingham, GO Bond
- Funding alternative is USDA Community Facilities Loan and Grant Program.
- RFP to be developed by Bristol Engineering.

Additional Project Costs: \$29,200 (estimate)

- LCG Lantech, Inc. will be contracted for these services.
- City personnel may handle some tasks, others will be assigned to LCG Lantech via Task Orders, on an as needed basis.
- Permitting, Bid Assistance, and Construction Administration, \$12,000, T&M, NTE fee.
- Project Inspection, Contract Administration, \$17,200, T&M, NTE fee.

Project Timeline:

- March-June, Fire Marshall Plan Review Bureau Review
- TBD, RFP Release
- TBD, RFP scoring, evaluation, and recommendation for contract
- TBD, Permitting finalized; Contract awarded
- TBD, Construction begins
- TBD, Project close out

#6 – Harbor Float Replacement

\$5.2M (estimate)

Design:

- PND Engineers, Inc. has provided 75% design for this project.

Construction: \$5.2M (estimate)

- The City is currently exploring funding options through federal appropriations.
- Funding alternatives are AKDOT&PF Harbor Facility Grant Program and USDA Public Works and Economic Development Facilities Program (Grants).
- City to develop RFP.

Project Timeline:

- TBD pending funding

#7 – D Street & Seward Street Rehabilitation Project

\$3.11M (estimate)

A contract has been signed and the performance bond has been received.

Design: \$154,329 (estimate)

- PND Engineering, Inc. has been contracted to complete the design for this project.

Construction: \$2.96M (estimate)

- City of Dillingham, GO Bond
- Funding alternative is USDA Community Facilities Loan and Grant Program.
- RFP to be developed by PND.
- Apparent Low Bidder: JJC Enterprises, \$2,494,737

Project Timeline:

- February 22, 65% design
- April 30, 95% design, specifications and cost estimate
- June, RFP Release, bid deadline August 15
- August, RFP scoring, evaluation, and recommendation for contract
- September, Permitting finalized; Contract awarded
- April 2020, Construction NTP issued
- August 2020, Substantial completion
- September 2020, Project close out

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
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Gregg Marxmiller

MEMORANDUM

Date: 1-8-2020
To: Tod Larson, City Manager
From: Jean Barrett ex-public Works / Port Director
Subject: Monthly Staff Report

Happy 2020! Hard to believe that just yesterday we were worried about Y2K!
We have had a good old fashioned cold snap like we haven't seen in many years, everything has been running and working as it should, very little in the way of hiccups.

Public works

- I will be weening you off of my reports about the Public Works Department as Luke is in place but I am still active on a day to day basis to help the department as a whole.
- Luke and I have had a lot of talks and field trips to our facilities and I am doing my best to give him as much information as possible. He is a quick study and is catching on quickly. We, I am sure, will continue to take these trips and he will be picking my brain for quite a while as that is a job that takes time to absorb completely.
- Over the Christmas holidays while there was a lot of the public works department employees out of town I filled in mostly for the Building and grounds department. I am happy to announce all of our buildings stayed relatively warm over the cold stretch.

Port

I am missing the day to day grind at the Public works department. It is hard to step directly away after 2 ½ years. Fortunately I am still needed to a point up there and still get to be involved. Don't worry, I will be busy as I have a list of things to do...

- I am looking forward to organizing some things that have taken a backseat at the harbor while I was serving in two positions, my garage and shop need some TLC.
- I have some locks to install and keys to get organized and inventoried.
- I am working on a final draft of tariff revisions to present to the administration and council.
- I need to get back involved with the Port Advisory Committee and get regular scheduled meeting in order.
- I plan to do some letter writing to our elected officials in DC so we can hopefully get some money for a new float system in the near future.

City manager Larson and I have talked about me taking on some much needed projects outside of the Port Department to help get a handle on some of the important road and infrastructure issues that have been piling up. I am looking forward to making Dillingham a better place for all of us.

I feel the need to address the F/V Barmaid, this is the boat that was left in the harbor until the ice forced the City to move it up and out of harm's way.

- I have talked with the person that registered the vessel with the Harbor office since September and it never seemed to sink in that there was some urgency to my warnings.
- In late fall the City crew and I moved the vessel onto high ground as ice began to form around the boat. The vessel owner will be charged for storage, equipment and personnel time. When we get it moved that cost will be added to the bill. Outstanding charges will need to be paid before the vessel is released to the registered owner.
- We have drafted a letter to the person that registered the boat with us. We are also going to send the letter to the registered owner of the vessel.
- We have contacted the ADF&G about the vessel and they are going to check if there is anything they have on the boat as far as State regulations are concerned.
- Furthermore, the vessel will not be allowed in the harbor and the "fisherman" who registered it this past summer will also not be allowed to be in the harbor on any vessel.

I feel that the vessel is in a good spot for the winter and hope to have it moved as soon as we can find a safe way to do so.

That is all from where I sit this cold windy day.

Jzan

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Bill Rodawalt
Vacant
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: 1/08/2020
To: Tod Larson, City Manager
From: Chief Daniel Pasquariello
Subject: Public Safety report JANUARY 2020

DPD Activity for the entire 2019 Calendar year

Dispatch:

- ❖ 4,445 Calls for service dispatched by DPD

Corrections:

- ❖ 464 Total Inmates held at jail
- ❖ 288 Title 47 Protective custodies

Patrol:

- ❖ 3,733 Calls handled by DPD patrol
- ❖ 283 Arrests by DPD
- ❖ 288 Title 47's by DPD
- ❖ 466 Citations issued by DPD
- ❖ 519 Incident reports by DPD

Animal Control:

- ❖ 59 Animal impounds
- ❖ 3 Animals surrendered to shelter
- ❖ 48 Animals returned to owners
- ❖ 5 Shelter animals adopted out
- ❖ 12 Animals sent to other rescue groups in Alaska
- ❖ 251 Rabies/parvo shots given

- ❖ 11 Compassionate euthanasia (*old/sick animals*)
- ❖ 2 Dog bites
- ❖ 12 Citations issued

DMV:

- ❖ 1,061 Driver's licenses/IDs
- ❖ 841 Titles/registrations
- ❖ 209 Boat registrations
- ❖ 75 CDLs
- ❖ 62 Road tests
- ❖ 181 Written tests

Above is total activity for the 2019 year. Next month we will begin reporting our activity using a newly created spread sheet as requested by the City Council.

At the last meeting Scarface the cat was back at the animal shelter after a failed local adoption. ACO Boyd sent the cat to Clear Creek Cat Rescue, out in Palmer Alaska, Scarface was adopted by a couple who have a home and acreage outside of Palmer. Coincidentally, they also own and operate a business out here in Dillingham. Small world.



Scarface and friend
in new Mat-su valley home

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
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MEMORANDUM

Date: January 9, 2020
To: Tod Larson, City Manager
From: Luke Moody, Public Works Director
Subject: Monthly Staff Report

Public Works has been going through a transition of Directors. Jean Barrett has been handing off his interim position, which began on December 11, 2019. During the ‘right seat, left seat’ process, Jean has been briefing me on the following:

- Introductions
- Local knowledge
- Current practices
- Concerns and possible solutions
- Requirements
- Priorities
- Duties
- Educational material
- Demonstrations

Jean has been instrumental in setting up the department for success and continues to make himself available. We have experienced a seamless transition with a very high level of continuity.

Safety

All employees within the Public Works Department receive a safety class at the beginning of their work week. Safety classes are conducted by supervisors or myself. A sign in sheet is documented to include those that have attended, date, and topics discussed. The end of each class is an open discussion that allows all employees the opportunity to add input to this class. The purpose of this class is to establish safety as the number one priority, a refresher of policies already in place, and specific guidance moving forward.

Personal Protective Equipment	December 16, 2019
Complacency/Accountability	December 23, 2019
Communication/Status Updates	December 30, 2019
Safe Driving	January 6, 2019

Building and Grounds

Building and Grounds have been busy with cold temperatures and has successfully completed work orders in a timely manner.

- Buildings and Grounds lost one employee by resignation and had an internal hire to fill the position.
- Personnel have been very busy with boiler checks, maintenance and repair of boilers in various buildings, notably City Hall, Public Safety, and the Fire Department.
- Jean put in many extra hours to help fill the void of personnel on personal leave during the holidays.
- Building and Grounds is working with Planning on Lighting Project (VEEP). RFP is set for publication by the end of the month.

City Garage

The City Garage mechanics have been focusing on cold weather maintenance of fleet vehicles and heavy equipment, while continuing to complete work orders. Public Works is ready to hire another mechanic to fill the vacancy.

- Mechanics have been extremely busy in repairing equipment during cold temperatures.
- A mechanic took an internal hire as Building and Grounds assistant, leaving one open fleet mechanic position.
- Priority has been police, fire, ambulance, and snow removal equipment.
- One position is open for fleet mechanic, which we hope to fill with someone that has knowledge specifically on heavy equipment.
- Once personnel are caught up with backlog due to temperatures, we will be implementing further preventive maintenance procedures and looking ahead to equipment that will be utilized on summer projects.
- Oil pan heaters are being placed on all police vehicles as they did not come equipped with them.
- Scheduled interval services continue to take place on all city fleet vehicles.
- Garage reorganization is taking place on a daily basis and we will be moving forward with inventory to develop a property book and new accountability procedures.
- New safety procedures are being implemented with work being done on site.

Landfill

We are working daily to improve operations while having vision for the future of the landfill. Our biggest challenge at the moment is maintenance on the equipment. Our department is very motivated to bringing improvements at the landfill as whole. We are confident that 2020 will be a great year for the landfill.

- New hire has extensive knowledge in rural Alaska landfill operations.
- The bulldozer has been brought to the City Garage for annual service and repair of track master link.

- The trash compactor has been repaired and with warmer temperatures we will be able to bleed fuel lines so that it is fully operational.
- The bobcat is down, awaiting a new ECU.
- All storage containers have been cleaned up, including bulbs and electrical components.
- Building and Grounds repaired water pressure tank in work shop.
- The incinerator is fully operational and utilized.
- Public Works has been working with the Finance Department to find solutions for a cashless payment system, which will require WIFI.
- Landfill permit is on track.
- Developing a plan for closure of the current cell in conjunction with the opening of cell 3.
- New effort to minimize the number of refrigerated units in queue.
- New effort to reduce burnables in queue at wood yard.

Water/Waste Water

Our focus is daily maintenance, preventive maintenance, personal protective equipment, and further training.

- We are scheduling further confined space training.
- Confined space gas detector has been sent off for calibrating.
- Both Chris and Billy are registered for small treated/lagoon training/certification courses February 4-7, 2020.
- With a constant issue of debris being placed in manholes at HUD housing, lines were jetted and all manhole covers were tacked closed by our mechanics, we have had no issues since.
- All water supply testing results are within range.

Streets

Operators have been busy with snow removal and working with the mechanics to ensure equipment is operating sufficiently.

- Grader training on December 9th was cancelled due to weather.
- Signs are being installed to notify residents/businesses of no parking areas due to snow removal routes.
- Maintenance is an existing issue.
- Developing a list of culverts that will need replaced.
- Department is working with Planning to implement the Gravel Road Management System.

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1. CALL TO ORDER

The Code Review Committee met on Thursday, September 12, 2019, in the City Council Chambers, Dillingham, AK. Council Member Chris Napoli chaired the meeting and called the meeting to order at 5:30 p.m.

2. ROLL CALL

Committee Members present:

Mayor Alice Ruby	Chris Napoli	Gregg Marxmiller
Lori Goodell	Tod Larson	

3. APPROVAL OF MINUTES

- a. Minutes of July 25, 2019

MOTION: Gregg Marxmiller moved and Alice Ruby seconded the motion to approve the minutes of July 25, 2019.

VOTE: The motion passed unanimously by voice vote.

4. APPROVAL OF AGENDA

MOTION: Gregg Marxmiller moved and Alice Ruby seconded the motion to approve the agenda.

VOTE: The motion passed unanimously by voice vote.

5. UNFINISHED BUSINESS

- a. Code Committee's To Do List
 - Plastic bag update (MOA ban to start 9/15/2019)
 - Vendor informational letter to be drafted.
 - Several issues to consider, impact to retailers, timing to roll out, alternative bag choices, penalty for non-compliance.
 - MOA plastic bag ban Ordinance to be reviewed.

Rhonda Jenkins – A.C.; spoke in support of Dillingham regulations, requested vendors be included in the process, and stressed the need for public notice.

Gorden Isaacs; noted it would be good to time implementation with enough notice to deplete existing supply of bags on hand. Stated it takes to educate the public.

Susan Isaacs; spoke regarding repurposing old bags.

- Casual / isolated sales
 - DMC and Bethel's definition of casual / isolated were reviewed.
 - The process for determination of status is done by the City Manager.
 - Noted code needs to be manageable and enforceable by city staff.
 - There has been an effort to educate and locate businesses not in compliance.
 - This item will be revisited next year to allow administration time to gather more information regarding the current methodology.

- Internet sales tax

- AML is building a comprehensive plan (collections, distributions, enforcement, compliance, and self-audit) that communities may choose to join.
- Council will need to take official action to be part of the AML group.
- The City currently receives \$8,000 - \$10,000 per month from online sales tax.

6. NEW BUSINESS

- a. Bristol Bay Bud Company, LLC Retail Marijuana Store License Renewal

MOTION: Alice Ruby moved and Lori Goodell seconded the motion to recommend to council the city not protest Bristol Bay Bud Company Retail Marijuana Store License Renewal.

VOTE: The motion passed unanimously by voice vote.

- b. Review liquor / marijuana license review form
 - The existing form will be updated to include marijuana in the title.
 - A section will be added to reflect code requirements specific to marijuana regulations.

7. PUBLIC COMMENT/COMMITTEE COMMENTS

Alice Ruby: commented regarding the length of the meeting.

Gorden Isaacs: Noted the Bristol Bay Bud Company is a cash business that provides revenue for the city, and is now open 7 days a week. Noted the marijuana black market is still active. Requested Public Safety put pressure on marijuana sellers not complying with state and local regulations.

Susan Isaacs: commented on the need to be vigilant.

Gregg Marxmiller: thanked those that come and participate, noting it helps council make better decisions.

Chris Napoli: Stated it was good to have the A.C. representative at the meeting. Thanked the committee.

8. ADJOURNMENT

The meeting adjourned at 6:53 p.m.



Chris Napoli, Chair

ATTEST:



Lori Goodell, City Clerk

Approval Date: 12/12/2019

Dillingham Complete Count Committee Meeting

Dec. 2, 2019 report

DeeDee Bennis and Marilyn Rosene: Co-Chairs

The purpose of the 2020 Complete Count Committee is to utilize the local knowledge, expertise, and influence of each ccc member to design and implement a census awareness campaign targeted to the community.

- Jennifer Gardiner – BBNA
- Tish Olson, Choggiung
- Philip Hulett, Dillingham City School District
- Ted Krieg (retired)- Alaska Dept. Fish and Game
- Melody Nibeck Edgmon, Commerce Community & Economic Development.
- Char Lopez Alaska Job Service

The Census is done every 10 years. This once-a-decade population count is used as the basis for distributing more than \$800 billion in federal funds annually to states, boroughs, and communities to support resources such as schools, hospitals, roads, fire departments, public services to children, veterans, seniors, families and many more. Having said that, I would like to point a few things of importance and give you an overview on what we have done to date.

After a meeting with officials from the Census Bureau in Dillingham, Oct. 19th, Mayor Alice Ruby asked if I would co-chair with Marilyn Rosene.

Having just retired in May after working 40 years for BBNA and Marilyn retiring for the school district and working in some of our villages, we both believe getting information to all our villages in Bristol Bay is crucial to getting the word out to engage all our residents. We utilized the websites to US Census 2020 at www.2020census.gov and Alaska Counts at www.alaskacounts.org.

We immediately got to task looking at our resources in Dillingham and Bristol Bay.

Currently for Dillingham:

- **Nushagak Cooperative** having a flyer in the December (done #01 fast facts by Alaska Counts) and January billings (need).
- **Choggiung** Limited newsletter (done #02 Alaska Native People Count 2020 by Alaska Counts)
- **City of Dillingham** – Water & sewer bills **Week of 12/2**

#03 Why Respond to the Census by Alaska Counts) and property tax mailings (need).

- **Curyung DeeDee** presented at the Annual meeting 11/23/19— (done) Frequently Asked Questions by US Census 2020 flyer (need a flyer for newsletter)
- **Christmas Bazaar**. 12/08/19 table to hand out information

We identified 11 flyers to put in the above listed Dillingham business and then contacted the following agencies:

- **BBAHC** next newsletter in January (done #04 Census 101 by census.gov)
- **BBNC** – phone interview with 360 Strategies Kevin for BBNC next newsletter on 11/25 and Leadership Forum presentation Dec. 5-6, 2019 They already have a link on their website to the 2020 Census (need flyer for next newsletter)
- **BBNA** next newsletter (need)
- **BBHA** (Bristol Bay Housing Authority)— flyer in their next billing insert for Dec. (done #05 Why respond to the Census? – Census data effects by Alaska Counts)
- **BBEDC** – flyer in their next newsletter (need) and present to the tribal liaison by teleconference at their monthly meeting in January. They will link in the census 2020 to their website.
- **Dillingham City Schools** flyer in Feb. (need)

Other:

- **Faith-based groups** in community-handouts (10) (need) (Holy Rosary Catholic, Russian Orthodox, Assembly of God, Latter Day Saints, Baptist Community, Dillingham Bible Fellowship, Lutheran, Seventh Day, Moravian)
- **KDLG** interview
- **Alaska Counts Mini Grant Application** (focus on Pre-K and K-12)

Work closely with remote tribal partnership specialist to connect up with BB campus, SAVEC ([Southwest Alaska Vocational and Education Center](#))

- , the 4 school districts. (Lake and Peninsula, Bristol Bay Borough, Southwest Region, and Dillingham City)

• **Suggestions/Questions**

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2020-01

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING SECTION 4.30.050 C PURCHASE ORDERS, TO ADJUST THE NOT TO EXCEED VALUE

WHEREAS, the City of Dillingham (City) has identified a need to adjust the not to exceed value in the purchase order process; and

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a code ordinance.

Section 2. Amendment of Subsection 4.30.050(C). Subsection 4.30.050(C) of the Dillingham Municipal Code is hereby amended as follows with new language underlined and **emboldened** and deleted text displayed in strike out font.

4.30.050 Purchase orders.

C. In the absence of the city manager, a person designated in writing by him/her, is hereby authorized to sign purchase orders for supplies which do not exceed ~~five hundred~~ **\$1,000** dollars in value, in conformance with control procedures to be established by the city manager for that purpose.

Section 4. Effective Date. This ordinance is effective upon adoption.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on February 6, 2020.

SEAL:

Alice Ruby, Mayor

ATTEST:

Lori Goodell, City Clerk

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CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2019-35

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY OF DILLINGHAM 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 City of Dillingham, but do have a taxable connection with the state of Alaska and City of Dillingham; 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 Dillingham 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 Dillingham 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; and

WHEREAS, AS 29.35.010 (12) allows the Dillingham City Council to authorize membership in an organization that promotes legislation for the good of the municipality.

NOW, THEREFORE, BE IT RESOLVED the Dillingham City Council:

Section 1. Authorization. Authorizes the 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. Designates the Manager as the City of Dillingham representative on the Commission.

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

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

PASSED and ADOPTED by the Dillingham City Council on January 16, 2020.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Lori Goodell, City Clerk

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MEMORANDUM

To: Dillingham City Council



From: Brooks Chandler

Date: January 7, 2020

Re: Intergovernmental Agreement on Collecting Sales Tax on Internet Sales

Background We have periodically reported on the progress of efforts to take a joint approach to administration and collection of local sales tax on internet sales. This memorandum comments on the Intergovernmental Agreement and the anticipated process going forward. By way of background see our memoranda of March 18, June 4 and October 2. In summary, the legal ability of the City of Dillingham to collect sales tax from remote sellers (a door opened by the decision of the United States Supreme Court in the Wayfair case) is maximized by acting collectively with other Alaskan municipalities. This is exactly what States Outside have done through creation of a Streamlined Sales and Use Tax Agreement (SSUTA). The SSUTA was specifically referenced by the Supreme Court in the Wayfair case as a basis for the Court's decision. Acting collectively minimizes a constitutional argument that requiring remote sellers to collect sales tax for 87 different taxing jurisdictions in Alaska creates an "undue burden" on interstate commerce.

Only states can join the SSUTA. So, through an AML led effort Alaskan cities and boroughs set out to create an equivalent set up for Alaskan municipalities. For the past year and

a half, Alaska Municipal League members and staff have been hard at work with a coordinated and statewide effort to develop a way of collecting and managing sales tax from online merchants in response to the Wayfair case. I have been participating with this joint group and have reviewed and commented on various drafts of the uniform remote seller's code. Primary drafters of that code have been the Kenai Borough and Juneau legal departments. The uniform code is not perfect, but I believe is a workable law that will likely be revised during the first few years based on experience and issues that arise during administration.

More specifically, AML has now worked to develop the structure for centralized sales tax administration for remote merchants to register and report their tax collections for distribution to the participating cities and boroughs. The concept is to centralize collection and administration and to mimic the SSUTA approach of adopting common procedures, forms and definitions so that a single seller making sales in Alaska does not have to file 87 different sales tax returns. Instead a single return is filed with a centralized body who is responsible for distributing the tax collected to the communities where goods or services were delivered. Amazingly enough, this is rather easily facilitated through a custom computer program and software which AML contracted to have provided by a third party and which is largely complete.

Legal Authority- A threshold question is whether Dillingham has authority to delegate sales tax collection functions to a group of Alaskan municipalities by contract. The answer is yes. DMC 1.12.010 authorizes the City to exercise any power not otherwise prohibited by law. Article X, section 13 of the Alaska Constitution authorizes local governments to enter into agreements for cooperative or joint administration of any function or power unless prohibited by law. Title 29 also authorizes such agreements¹:

All municipalities have the following general powers . . .

(13) to enter into an agreement, including an agreement for cooperative or joint administration of any function or power with a municipality, the state, or the United States

Process and Sequence

The process is as follows:

¹ AS 29.35.10(13).

1. Intergovernmental Commission Formed- This has already occurred. About fifteen communities from Toksook Bay to Ketchikan have joined the Commission through adoption of and signing the Intergovernmental Agreement. An initial Board of Directors and officers have been selected and bylaws adopted.

2. Adoption by Commission of Uniform Code. This just occurred at a Board meeting held on January 6, 2020.

3. Adoption by Commission Members of Uniform Alaska Remote Seller Sales Tax Code (“RSSTC”). This process is just beginning since no individual community could act until the Commission had officially created a uniform remote sellers sales tax code.

The best analogy for the above process is the Uniform Building Code and similar uniform codes (Plumbing, Mechanical, Fire)². A non-governmental commission works to adopt and update uniform codes. Once created the uniform codes are then adopted by states and cities usually in modified form. The major difference here is that adoption of the RSSTC is close to an “all or nothing” proposition. Approving the Intergovernmental Agreement commits the City of Dillingham to amending our current sales tax code to incorporate the Remote Sellers Sales Tax Code provisions. There are two ways to accomplish this. The Remote Sellers Sales Tax Code could be adopted by reference as was done with the building codes. Or the provisions of the RRSTC could be incorporated into Dillingham’s sales tax code by amending current provisions. Our preference is to take the latter approach in order to treat local and remote sellers similarly.

The above sequence was the only option available to initially establish the Commission. Now that the Commission has been established and has adopted a uniform code it is theoretically possible to first adopt the uniform code and then adopt the Intergovernmental Agreement. We believe adopting the Intergovernmental Agreement first is the best way to proceed. If for some reason the City decides not to adopt the uniform code Dillingham simply drops out of the Commission with no financial obligation under present terms³.

Summary of Intergovernmental Agreement Terms

² DMC Chapter 15.08.

³ As far as we know, the Commission has not adopted an entry fee for new members especially those that have previously contributed to startup expenses.

If the City Council is interested in participating, they are required to adopt the Intergovernmental Agreement. This Agreement enables single-level, statewide administration of remote sales tax collection, remittance and enforcement, streamlining and simplifying for remote sellers. The Agreement commits the City of Dillingham to participate in the Commission, which governs online sales tax collection. Dillingham may opt-out in the future if the City Council chooses to do so. Nothing in Agreement restricts the power of Dillingham to fix rates and exemptions. But the Agreement does limit the power of Dillingham to set penalties and interest rates and general administrative provisions as to remote sellers. And the agreement requires Dillingham to apply the same definitions to remote sellers set out in the uniform code.

Article IV – Dillingham will have one vote as a member. Most decisions made by a 7 member Board. Members do vote on bylaws and on who is on the Board. Commission is contracting with AML for administration for first 3 years. Commission has authority to sue remote sellers to collect unpaid sales tax.

Article V – Resolution or ordinance required to become member. Once become member have 120 days to adopt the Remote Sellers Sales Tax Code⁴. Delegate authority to Commission to administer, collect and remit sales tax on sales made by remote sellers. The Commission has audit authority as to remote sellers. It is important to understand that the RSSTC only applies to remote sales. Dillingham is not forgoing authority for administration and collection of tax on local sales. Obligated to provide Commission with rate changes, exemption changes and boundary changes.

Article VI – Commission to remit and report tax to Dillingham each month.

Article VII – Dillingham can withdraw from Commission on thirty days notice with no penalty but remains obligated for any liability to share in expenses already incurred.

Article VIII – Recognizes that the Agreement does not limit authority of Dillingham to set tax rates and provide for exemptions but does obligate Dillingham to use common definitions “or demonstrate parity or non-applicability”. This means the obligation to use the definitions is neither universal nor word for word. But the burden would be on Dillingham to demonstrate parity or non-applicability.

⁴ Current Exhibit A to Agreement is outdated and will be replaced with final version adopted January 6. We have emailed the final version to Tod Larson.

Costs We have not been directly involved in discussions about contract terms between the Commission and AML. But it is our understanding fees associated with the implementation of the online sales tax administration will come from tax revenues most of which Dillingham is not currently collecting. The actual dollar amount depends on revenues. The software company fees will be 12% for the first \$10 million, 10% for the second, and 4% after that. Administration fees are anticipated to be between 2% and 4% of total revenue. In terms of actual dollars larger communities will pay more.

Recommendation Whether to collect tax on sales made by remote sellers is a policy decision. But if the City Council wishes to collect tax on such sales joining the Commission and adopting the RSSTC is by far the best way to proceed. Acting collectively will enhance the City's ability to fully collect sales tax on remote transactions. And it will defuse a potentially powerful legal argument against Dillingham's authority to levy and collect sales tax on sales made by remote sellers. We also believe joining the Commission first is better than adopting the RSSTC first. It is joining the Commission that creates the 120 day timeline for action on the RSSTC. That should prevent drift and delay in considering the issue. And 120 days is ample time to address any concerns or issues with the RSSTC that arise.

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Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL DRAFT

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 (3), 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 affected 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.

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.



Making the case for a coordinated municipal response to online merchants collecting local sales tax in Alaska

Alaska Municipal League – September 25, 2019

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.



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.

ADDENDUM A
REMOTE SELLER SALES TAX CODE & COMMON DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, it is enacted as follows:

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

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

ALASKA REMOTE SELLER SALES TAX CODE

XX.XX.010 – Interpretation.

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

XX.XX.020 – Title to Collected Sales Tax

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

XX.XX.030 – Imposition – Rate

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

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

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

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

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

XX.XX.050. – No Retroactive Application

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

XX.XX.060 – Payment and Collection

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

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

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

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

XX.XX.80.-Tax Filing Schedule

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

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

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

XX.XX.90.- Estimated Tax

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

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

XX.XX.100.-Returns – Filing Contents

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

XX.XX.110 – Refunds

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

X XX.XX.120. – Amended Returns

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

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

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

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

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

XX.XX.140 – Audits

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

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

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

XX.XX.150.- Audit protest

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

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

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

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

XX.XX.170 – Repayment Plans

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

with the following terms:

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

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

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

XX.XX.190. Cessation or Transfer of Business

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

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

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

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

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

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

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

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

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

XX.XX.210 – Violations

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

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

XX.XX.220 – Penalties for Violations

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

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

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

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

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

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

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

XX.XX.250. – Definitions

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

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

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

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

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

“Goods for resale” means:

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

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

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

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

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

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

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

“Monthly” means occurring once per calendar month.

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

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

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

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

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

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

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

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

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

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

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

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

“Receive or receipt” means

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

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

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

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

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

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

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

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

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

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

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

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

"Tax cap" means a maximum taxable transaction.

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

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

XX.XX.260. – Supplemental Definitions.

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

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

XX.XX.260. – *Supplemental Definitions.*

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ALASKA REMOTE SELLER SALES TAX CODE
SUPPLEMENTAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Disabled veteran” means a disabled person:

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

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

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

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

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

“Drugs for animal use” means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Prepared food” means:

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

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

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

computer software.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

files.

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

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

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

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

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

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

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

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CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2020-01**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL APPROVING THE AMENDMENT OF THE 2018-2023 CAPITAL IMPROVEMENT PLAN AND THE FY2021 LEGISLATIVE PRIORITIES LIST**

WHEREAS, Dillingham Municipal Code 2.68.160 requires that the Dillingham Planning Commission prepare and recommend to the City Council an annual update of a six year capital improvements plan; and

WHEREAS, the Planning Commission adopted Resolution No. 2019-03 on January 8, 2020, recommending the 2018 update of the Six Year Capital Improvement Plan 2018-2023; and

WHEREAS, it is the intent of the Dillingham City Council to provide the Governor, the State Legislature, State agencies, the Alaska Congressional Delegation, and other potential funding sources with adequate information regarding the City's capital project funding needs;

NOW, THEREFORE, BE IT RESOLVED that the City of Dillingham 2018-2023 Capital Improvement Plan is hereby amended and adopted as the current official six year capital improvement plan for the City of Dillingham.

BE IT FURTHER RESOLVED that:

1. The following capital improvement projects and project funding needs are identified as priorities for the FY2021 State Legislative Request:

1	Wastewater System Upgrades - Aeration	\$740,000
2	Landfill Groundwater Monitoring Wells	\$350,000
3	Water System Improvements – (Phase I)	\$1,988,000
4	D Street & Seward Street Rehabilitation Project	\$3,110,000
5	Lake Road Fire Hall Renovation	\$608,000
6	Water System Improvements – (Phase II & III)	\$2,262,073
7	Harbor Float Replacement	\$5,200,000
8	Sewer Lagoon Bank Stabilization Study	\$50,000
9	Sewer Lagoon Relocation Study	\$212,000
10	Harbor Revetments & Breakwater/Emergency Bank Stabilization (Potential 35:65 Match for USACOE Construction Ready Project)	\$7,525,000
11	Alternate Emergency Operations Center Phase II	\$445,000
12	Public Safety Building Replacement	\$21,000,000

2. Projects for the FY2021 Federal Legislative Request will be selected from this list; and
3. The City Manager is hereby instructed to advise appropriate State and Federal representatives and personnel of the City's FY2021 capital project priorities and take appropriate steps to provide necessary background information.

PASSED and ADOPTED by the Dillingham City Council on January 16, 2020.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Lori Goodell, City Clerk

**RESOLUTION 2019-03
A RESOLUTION OF THE DILLINGHAM PLANNING COMMISSION**

Recommending the 2020 CIP List

WHEREAS, the City of Dillingham Municipal Code 2.38.160 (A)(5) requires that the Planning Commission conduct an annual update of the City's Six Year Capital Improvement Plan; and

WHEREAS, the Planning Commission is reviewing the Six Year Capital Improvement Plan as the Municipal code requires in 2019; and

WHEREAS, City staff and the Planning Department ranked all projects; and

WHEREAS, the 2019 CIP List has been used to compile the 2020 CIP List, in the same order with updated estimates; and

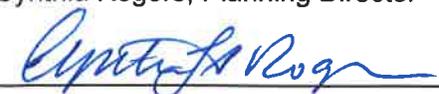
WHEREAS, this Six Year Plan will provide the basis for the FY21 legislative requests as well as future updates of the City's capital needs; and

WHEREAS, the Planning Commission has reviewed the proposed Six Year Capital Improvement Plan for 2018-2023;

NOW THEREFORE, BE IT RESOLVED that the Dillingham Planning Commission recommends the Six Year Capital Improvement Plan for 2018-2023 to the Dillingham City Council for approval:

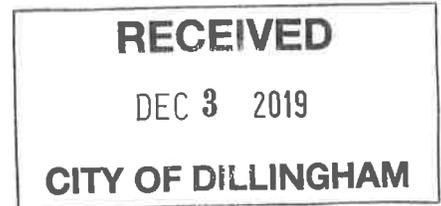
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4	D Street & Seward Street Rehabilitation Project	\$3,110,000
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11	Alternate Emergency Operations Center Phase II	\$445,000
12	Public Safety Building Replacement	\$21,000,000

ADOPTED by the Dillingham Planning Commission January 8, 2020.

<p>Kaleb Westfall, Chair</p> 	<p>Cynthia Rogers, Planning Director</p> 
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November 30, 2019



City of Dillingham
141 Main St.
Dillingham, Alaska
99576

To whom it may concern,

I am interested in being a member of the Senior Advisors Committee.

I have been in Bristol Bay for five years and in Dillingham for over a year. I have also gone to high school here some years ago.

I have done a lot of volunteering at the Senior Center in the last year and see a need for the elders to have an added strong voice to represent their needs and concerns.

Looking forward to hearing from you,

Sincerely,

A handwritten signature in cursive script, appearing to read "Teresa Capo".

Teresa Capo
Box 1564
Dillingham, Alaska
99576
907-795-0501



Lori Goodell <cityclerk@dillinghamak.us>

RE: Advisory Board Seat

1 message

Vivian Braswell <vbraswell@bbna.com>
To: Ida Noonkesser <seniorcenter@dillinghamak.us>
Cc: Lori Goodell <cityclerk@dillinghamak.us>

Wed, Jan 8, 2020 at 11:07 AM

Good morning Lori! This is V.I. Braswell, by this email to you I would like to be Considered to be re-appointed to the Senior Advisory Committee as my term is Up. Thanks, if you need anything else please ask.

V.I.

From: Ida Noonkesser <seniorcenter@dillinghamak.us>
Sent: Monday, January 6, 2020 3:17 PM
To: Vivian Braswell <vbraswell@bbna.com>
Subject: Advisory Board Seat

Hi VI,

I forgot to mention your seat was up. If you are interested, please submit your letter to Alice Ruby and Lori Goodell.

Ida Noonkesser

Director

City of Dillingham Senior Center

P.O.Box 1569

Dillingham, Ak 99576

(907) 842-1231

(907)842-4552 Fax

seniorcenter@dillinghamak.us

December 21, 2019

Dear Mayor Ruby,

I would like to continue my commitment to the planning commission for another term. I feel that I can add to the commission with the understanding of the history of the commission. I also have interest in moving projects forward and fulfilling the responsibilities of the planning commission of the City of Dillingham. I look forward to moving the Comprehensive Plan review forward.

If appointed I look forward to serving the City of Dillingham. Thank you for your consideration.

Gregg Marxmiller.

January 8, 2020

Jessica Denslinger
PO Box 1086
Dillingham, Alaska 99576

City of Dillingham
Mayor Ruby & Council Members
PO Box 889
Dillingham, Alaska 99576

Re: Planning Commission Seat

Madam Mayor and Honorable Council Members,

I am writing to express my interest in continuing to serve Seat F on the City of Dillingham Planning Commission. My first appointment was January 19, 2017. I have been a resident of Dillingham since 1995 and care a great deal about our community.

I am the owner and operator of The Spruce Kitchen Restaurant here in Dillingham. Prior to this, my work history was mainly in the field of education. I have an Associates degree in General Business and a Bachelors degree in Business with a major in Human Resources. I am currently in my last year of another Associates degree in Nursing.

Prior to purchasing our restaurant, I was employed with the UAF Bristol Bay Campus as the Manager of Administrative Services, and prior to that, I was employed by the Dillingham City School District. I have experience with strategic planning, grant management, human resources, fiscal management and teaching as an adjunct professor.

Thank you for your consideration for appointment to Seat F. I would like to continue serving this community.

Sincerely,



Jessica Denslinger

JESSICA DENSLINGER

OBJECTIVE

To obtain a career position in which I may utilize my education and skills to create an efficient, and effective, caring work environment.

EXPERIENCE

Denslinger LLC dba The Spruce Kitchen (5/16/14-Current)

Dillingham, Alaska

Owner and Manager

- ◆ Overall legal and financial responsibility of operating a Limited Liability Company in Dillingham, Alaska
- ◆ Plan, organize, direct, supervise and evaluate all administrative functions to ensure that goals and objections are met

University of Alaska Fairbanks Bristol Bay Campus (9/8/06-5/16/14)

Dillingham, Alaska

Manager of Administrative Services 6/17/12 to 5/16/14

- ◆ Under the supervision of the director, ensure that administrative campus-wide needs are met
- ◆ Plan, direct, supervise and evaluate administrative functions to include fiscal office, human resources, grant administration and as of January 23rd, 2014 the student services department
- ◆ Support staff and faculty with leadership and direction to meet the campus strategic plan, mission and goals
- ◆ Under the supervision of the director, develop and implement Bristol Bay Campus rules, regulations, processes, policies and procedures, ensuring necessary administrative action and directives are carried out
- ◆ Adjunct Faculty – Taught semester-based courses in Business.

Business Office Manager 11/9/08 to 6/16/12

- ◆ Direct and supervise activities of the Bristol Bay Campus Business Office (fiscal and personnel) by assigning, scheduling, approving, determining methods for doing work, evaluating the quality of work, answering questions, handling personnel issues, and monitoring the work flow to ensure quality, effectiveness and timeliness
- ◆ Assist director with grants and contracts administration
- ◆ Prepare management reports, fiscal year continuation budgets and other financial status reports
- ◆ Select, train, motivate and evaluate fiscal and personnel staff
- ◆ Work with department managers to ensure staff compliance with BOR policy and procedure and collaborative bargaining agreements

Instructional Services Coordinator 5/27/07 to 11/08/08

- ◆ Identified vocational and academic needs for Bristol Bay Campus service area by working with BBC coordinators, partners, local government agencies, school districts and village organizations
- ◆ Identified, processed, and procured courses needed by community residents or agencies
- ◆ Identified and hired qualified and interested adjunct instructors while adhering to the AAUP AFT/AFL-CIO (Adjunct Collective Bargaining Agreement) and CRCD Red Book
- ◆ Supervised, trained and evaluated personnel in the Dillingham, King Salmon and Togiak Centers

Admissions and Records Coordinator 9/8/06 to 5/26/07

- ◆ Planned, organized and supervised student registration process
- ◆ Administered and maintained academic and attendance records
- ◆ Processed college admissions and graduation applications
- ◆ Processed all tuition and course fees received to the business office
- ◆ Processed student and agency billing

Dillingham City School District (9/8/04-9/4/06)**Dillingham, Alaska***Personnel Officer 09/08/2004 to 09/04/2006*

- ◆ Worked with administration to project yearly employment and funding needs of the district
- ◆ Trained staff on personnel policy and procedures
- ◆ Calculated and prepared all district employee contracts for budget purposes and board approval
- ◆ Prepared and screened all travel, leave, purchasing, extra duty contracts, budget transfers, and time sheets to ensure proper account coding and fund availability prior to approval
- ◆ Ensured that all employee evaluations were completed in a timely manner
- ◆ Maintained and reported on all records concerning required personnel related data
- ◆ Ensured adherence to employment contracts, School Board Policy, Certified and Classified Collaborative Bargaining Agreements and State Statutes
- ◆ Worked with outside legal counsel to assure appropriate handling of human resource legal matters
- ◆ Prepared reports for DOE to include yearly student funding reports
- ◆ Provided secretarial support to the Board of Education and Superintendent

Nushagak Electric & Telephone Cooperative (3/28/03-9/03/04)**Dillingham, Alaska***Administrative & Member Services Manager 7/2/2004 to 9/3/2004*

- ◆ Directed and supervised activities of member services department (customer service), administrative services department and human resources department by assigning, scheduling, approving, determining methods for doing work, evaluating quality of work, answering questions, handling personnel issues, and monitoring the work flow to ensure quality, effectiveness and timeliness
- ◆ Assisted CEO/GM in recommendation, development and administration of adequate financial and personnel planning
- ◆ Worked with other department managers to ensure staff compliance with state statute, regulatory agencies, and participate in the development of Nushagak Cooperative goals, objectives and system changes

Executive/Board Secretary & Human Resources 3/28/2003 to 7/1/2004

- ◆ Provided secretarial support to the CEO/GM
- ◆ Provided secretarial support to the Board of Directors
- ◆ Directed and coordinated human resource programs
- ◆ Worked with outside legal counsel to assure appropriate handling of human resource legal matters
- ◆ Promoted on July 1, 2004

Dillingham City School District (11/18/96-3/27/03)**Dillingham, Alaska***Executive/Board Secretary 07/20/1998 to 3/27/2003*

- ◆ Performed human resource functions for the Dillingham City School District. Worked with administration to project employment and funding needs of the district. Calculated and prepared all district employee contracts for board approval. Maintained all records concerning required personnel related data. Ensured adherence to employment contracts, School Board Policy, Certified and Classified Collaborative Bargaining Agreements, and State Statutes.
- ◆ Worked with outside legal counsel to assure appropriate handling of human resource legal matters
- ◆ Prepared reports for the Alaska Department of Education to include yearly student funding reports
- ◆ Prepared and screened all travel, leave, purchasing, extra duty contracts, and time sheets to ensure proper fund coding prior to approval
- ◆ Provided secretarial support to the Board of Education
- ◆ Provided administrative support to the Superintendent
- ◆ 10/21/2002 to 1/13/2003 - Employed by the State of Alaska Department of Fish & Game Sport Fish Division as a Program Technician. This position provided administrative support to Fishery Biologists and Fish & Wildlife Technicians at the Dillingham and King Salmon offices. Remained employed by the Dillingham City School District to perform the duties of executive/board secretary

- ◆ Provided positive relations and customer service to our school community, secretarial support to admin, staff, students, parents, and community, to ensure a smooth and efficient operation of the school office. Duties included organizing and maintaining student permanent records, coordination and/or delegating of school activities and submitting required state reports to the Department of Education. Served one year as DLGSD Classified NEA President.

Elementary Secretary/Registrar 11/18/1996 to 7/19/1998

- ◆ Provided positive relations and customer service to our school community, secretarial support to admin, staff, students, parents, and community, to ensure a smooth and efficient operation of the school office. Duties included organizing and maintaining student permanent records, coordination and/or delegating of school activities and submitting required state reports to the Department of Education. Served one year as DLGSD Classified NEA President.

EDUCATION

Diploma	Hood River Valley High School	1985
AA Degree in Business General Business	Western International University	2006
Bachelor of Business Administration Human Resources With Honors	Wayland Baptist University	2011

AAS Nursing – Registered Nurse (in progress, anticipated graduation December 2020)

Miscellaneous OJT and University courses, to include:

ED F593 Teaching Academic Courses Online	Time Management Resolving
Conflict Creatively Program (RCCP)	Conflict in the Workplace
Policy & Procedure Development	Effective Board Meetings
Goal Setting	Strategic Planning
School Law	FMLA Seminars
NRECA Human Resources and Benefits	Alaska Wage and Hour Laws
UAF Supervisor Training	Employee Evaluation Training
Introduction to Paralegal Studies	Tort Law
Employment Law	EEO & Sexual Harassment
Human Resource Management	Legal Environment of Business
Banner	Americans with Disabilities Act
US Equal Employment Opportunity Commission	Recruitment and Hiring

COMPUTER SKILLS

- ◆ Proficient in Microsoft and Mac operating systems
- ◆ Proficient in Microsoft Office, and various Internet browsers, and FileMaker
- ◆ Banner experience in student and finance modules, Vista Plus and Qmenu
- ◆ Minimal experience with UAF TOAD

OTHER

City of Dillingham Planning Commissioner	2017 - Current
Author of Jack’s Puppets	2005
Wrote a Successful \$3.9 White Paper for Nushagak Cooperative	2004
Bristol Bay Bees	Established 2017

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Received
11/19/2019

License Renewal	License Transfer	New License	Other
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doing Business As	License Type	Licensee	Physical Address
Dillingham Liquor Store	Package Store	Brannon Rentals LLC	312 Main Street East

This review covers the period FY 2019 to Present.

Route to FINANCE 12/9/2019 **Respond by:** _____ Info. Available as of _____
Date Date Date

ACTIVITY	STATUS
Sales Tax Reports Filed and Payments Submitted	Bal. Due <u>0</u> Date/Amt. of Last Payment <u>12/06/2019 \$22222</u> No. late payments <u>0</u> Comment:
Real Property Tax Owns the property? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Bal. Due <u>0</u> Date/Amt. of Last Payment <u>08/05/2019 \$3923.40</u> No. late payments <u>0</u> Comment:
Personal Property Tax (Inventory, Supplies, Office Equipment)	Bal. Due <u>0</u> Date/Amt. of Last Payment <u>08/05/2019 \$3923.40</u> No. late payments <u>0</u> Comment:
Utility Bill Responsible for utilities? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Bal. Due <u>\$351.96</u> Date/Amt. of Last Payment <u>11/20/2019 \$192.48</u> No. late payments <u>5</u> Comment:
Most Current DLG Business License	<u>2020</u> <u>12/09/2019</u> License Year Date Applied Comment:
Most Current AK State Bus. License	<u>2019</u> <u>10/12/2017</u> License Year Date Applied Comment:



Received
11/19/2019

License Renewal	License Transfer	New License	Other
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doing Business As	License Type	Licensee	Physical Address
Dillingham Liquor Store	Package Store	Brannon Rentals LLC	312 Main Street East

This review covers the period FY 2019 to Present.

Route to Public Safety _____ **Respond by:** 12/11/2019 Info. Available as of 12/11/2019
Date Date Date

Have there been any adverse reports filed in the past two years? YES NO

If yes, explain in detail and include dates. Use a separate sheet of paper if necessary. :

- Serving to minors (under 21 years of age).
- Intoxicated person on licenses premises.
- Serving alcoholic beverages after hours.
- Pattern of disturbances or fights on the licenses premises.
- Open sale of prohibited drugs on the licenses premises.

Additional comments:



Received

License Renewal	License Transfer	New License	Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doing Business As	License Type	Licensee	Physical Address

This review covers the period _____ to _____.

Route to PLANNING _____ **Respond by:** _____ **Info. Available as of** _____
Date Date Date

1) Does the structure, or use of land or a structure, including parking requirements at the proposed license location conform to Title 18. Explain.

2) License Transfer and New Licenses require a public hearing DMC 8.18.020, B. Provide a detail of the Public Notice Requirements.



Received
11/19/2019

License Renewal	License Transfer	New License	Other
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doing Business As	License Type	Licensee	Physical Address
Dillingham Liquor Store	Package Store	Brannon Rentals LLC	312 Main Street East

Reviewed by: Code Review Committee Date: December 12, 2019

Recommendation:

No Action The Code Review Committee recommends that Council waives the right to appeal this application.

Deny

Explain the reason(s) for a denial of the application:

OTHER:

During the two year period that the license is in effect, state statute allows the local governing body to protest the continued operation of a license during the second year of the biennial license period. This may be done by sending both the Alcohol Marijuana and Control Board and the licensee a protest and the reason for the protest by January 31 of the second year of the license.

OTHER Comment:



November 19, 2019

City of Dillingham

Via Email: cityclerk@dillinghamak.us

Re: Notice of 2020/2021 Liquor License Renewal Application

License Type:	Package Store	License Number:	1405
Licensee:	Brannon Rentals LLC		
Doing Business As:	Dillingham Liquor Store		

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

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

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

Sincerely,

Glen Klinkhart, Interim-Director
amco.localgovernmentonly@alaska.gov

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Subject: Filling a Vacant Council Seat

DMC, Section 2.03.070, Vacancies, the code reads that an elected municipal office, except for that of mayor or school board member, is vacated under one of the following conditions, and upon declaration of vacancy by the Council. The council **shall** within forty-five days appoint a **qualified** person. The council shall declare an elective office vacant when the person elected (one of several options listed in code):

- Resigns and the resignation is accepted.

The City Council accepted a resignation for Seat C and declared the seat vacant at their regular council meeting on December 5, 2019. 45 days from December 5 is January 19. There is one regular meeting between that period: January 16. An appointment would need to be designated at that meeting unless a special meeting is held.

Local advertisement for Seat C began on December 9, 2019. An ad was placed in the December 19, 2019 edition of the Bristol Bay Times.

City Attorney's advice regarding qualifications and appointment.

Qualifications

There are two qualifications listed in DMC 2.06.020.

Registered Voter in Dillingham

Have lived in Dillingham for one year

In my opinion, the person appointed to fill a vacancy must be qualified as of the date the vacancy is filled. Therefore, any person registered to vote AND who has lived in Dillingham for a year by February 24 (or any earlier date of appointment) may be appointed.

Filling the vacancy

Filling the vacancy is mandatory. The council **MUST** appoint someone. That is why the word "shall" is used in DMC 2.06.060. There is no procedure to fill a vacancy by special election.

DMC 2.06.060

If a vacancy occurs in the council, the council, by vote of a majority of its remaining members, shall within forty-five days designate a person to fill the vacancy until the next regular election and until a successor is elected and has qualified. The term of office at the next regular election shall be for the unexpired term only.



Lori Goodell <cityclerk@dillinghamak.us>

Fwd: Letter of interest for seat C

1 message

Alice Ruby <alice.ruby@dillinghamak.us>

Thu, Jan 9, 2020 at 8:41 AM

To: Lori Goodell <lori.goodell@dillinghamak.us>, City Manager <manager@dillinghamak.us>

----- Forwarded message -----

From: **Kaleb Westfall** <kalebwestfall@gmail.com>

Date: Thu, Jan 9, 2020 at 8:10 AM

Subject: Letter of interest for seat C

To: Alice Ruby <alice.ruby@dillinghamak.us>

Dear Madam Mayor Ruby,

I would like to express my interest in filling seat C of the Dillingham City Council.

Our city is coming upon some tough decisions and monumental CIP's that will indefinitely change our city's future. Many of these projects will lay the ground work for our societies evolving needs and the infrastructure that Dillingham's future successes depend on. I want to be part of the foundation that sculpts Dillingham's near future, the opportunities for its success, and the innovations that we will need within the city. I have a diverse background in construction (building roads to high schools) that will help guide me through critical decisions that will come before the council. Thank you for taking time from your day to consider my interest in seat C.

Best regards,
Kaleb Westfall

--

**Alice Ruby, Mayor
City of Dillingham**

From: Michael Davis <medavis@alaska.edu>
Sent: Thursday, December 05, 2019 11:29 PM
To: Alice Ruby <alice@bbedc.com>
Subject: Visit to DC

Alice

Alice

I wanted to give you a summary of my visit to our Congressional offices during my recent trip to DC

I met with Rep. Young, and staff for Senators Murkowski and Sullivan.

At Don Young's office I did bring up the issues regarding our harbor and our lagoon. Rep. Young seemed to be receptive to trying to assist us in our efforts to secure funds. His staff, Kevin Swanson was also at the meeting. After the meeting with the Congressman, I met personally with Kevin. I told him that the City was in the process of drafting a proposal for what the community would like to do for the harbor.

Kevin would be the person to keep in the loop regarding the harbor proposal.

Kevin Swanson, Leg Assistant

Kevin Swanson@mail.house.gov

In Murkowski's office I met with Ann Robertson (fisheries) and Lane Dickerson.(mining) I told Ann that the city was working on a proposal for the harbor and the city would be sharing it with the Senator at a later date.

One thing that Ann mentioned was that they would be happy to work with the city as the project moves through the process from draft to a final proposal. Ann said that, while the Senator can't make direct appropriations, they do work with communities in all stages of projects to assisting communities in securing funding funds.

Ann Robertson Leg. Assistant

ann_robertson@murkowski.senate.gov

At Senator Sullivan's office, I met with Mike Anderson.

This was a shorter meeting, but a cordial one. We talked about the Senator's recent visit to our community, which he enjoyed. I brought up the topic of our harbor/lagoon

I did tell him, also, that the City was working on a draft proposal for the harbor.

Mike Anderson, Communication Director

Mike_Anderson@Sullivan.Senate.Gov

I hope this helps...I would be glad to discuss this more with you.

Look forward to seeing you at the Brown bag...!

Mike

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December 19, 2019

Jean Barrett
Public Works Director
City of Dillingham
P.O. Box 889
Dillingham, Alaska 99576

Certified Mail # 7019 0140 0001 0059 1082
Return Receipt Requested

Subject: Dillingham Groundwater Spring 2019 Monitoring Report Review

Dear Mr. Barrett:

The Alaska Department of Environmental Conservation (ADEC) Solid Waste Program has reviewed the June 2019 Groundwater Monitoring Report for the City of Dillingham's Class II Landfill. Groundwater detection monitoring is performed semi-annually under landfill permit #SW2A015-19.

The City of Dillingham monitoring locations include upgradient well MW-1, and downgradient or cross gradient wells MW-2, MW-3, MW-4, and MW-5. Upgradient wells are used to establish background and downgradient wells are compliance wells. Under a detection monitoring program compliance well data is statistically compared to background concentrations to determine if constituents from the landfill are impacting the groundwater.

Sampling for this event was conducted on June 18, 2019. During this event fourteen metals, two volatile organic compounds (VOCs), and six Table F parameters were detected in various wells across the site. MW-2 contained the highest concentrations and number of metals detected across the site. The high metals concentrations in MW-2 are likely related to the persistently high turbidity.

Statistics performed during this event use pre-landfill data and the data collected from sampling events since 2016. Based on this analysis chromium, copper, lead, nickel, vanadium, zinc, cobalt, sulfate, ammonia-N, arsenic, barium, manganese, calcium, antimony, and toluene statistically exceeded background concentrations at various wells across the site.

Although some wells have documented exceedances of background concentrations which would require the Dillingham Landfill to transition to assessment monitoring, ADEC is withholding this decision pending the installation of new monitoring well based on the Dillingham Landfill Hydrological Study Report dated February 2017. The new monitoring well network must be installed before **April 1, 2020**.

ADEC noted the following concerns in the Spring 2019 monitoring report:

- The pump flow rate should remain the same between purging and sampling. The flow rate should not be lowered after purging right before sampling.
- The reverse side of field form for MW-3 is missing.

- The sample times on the chain of custody between pages 1, 2, and 3 did not match. Please try to ensure that all of the sampling information is consistent between the chain of custody forms.
- One sampling container was received by the laboratory empty and one VOC vial was missing. Please ensure that all of the sample containers are properly filled and that all of the vials are accounted for.

The City of Dillingham must notify ADEC of any statistical or double quantification rules based on exceedances of background within 14 days of receiving results that indicated an exceedance.

ADEC appreciates Dillingham's commitment to improving groundwater monitoring. Please contact me at (907) 269-1099 or kaylie.holland@alaska.gov with any questions or comments.

Sincerely,



Kaylie Holland
Technical Coordinator

cc. Isaac Pearson, Bristol Engineering Services Corporation
Todd Larson, City Manager of Dillingham



Bristol Bay Heritage Land Trust

2019 Fall Newsletter



Support the Bristol Bay Heritage Land Trust on-line at www.bristolbaylandtrust.org, through Pick.Click.Give or the traditional way through the U.S. Mail

Mission Lodge Hosts a Successful Bristol Bay Fly Fishing & Guide Academy



2019 Academy Graduates

Bristol Bay Native Corporation and the staff of Mission Lodge on Lake Aleknagik hosted the Land Trust's 11th Annual Fly Fishing and Guide Academy for the youth of Bristol Bay. The Academy has graduated nearly 150 participants to date and exposed them to the conservation issues they need to understand as future village corporation leaders and BBNC shareholders in the region. As an additional benefit, several graduates have been able to leverage their training at the Academy into jobs with area lodges. The Land Trust partners with Trout Unlimited to

operate the Academy.

The following are the Academy graduates for 2019: Cameron Andrew, John Apokedak, Jared Hansen, Damien Gust, Kaley Acovak and Barbara Acovak all from New Stuyahok; Triston Chaney, Jaden Mayer, Caden Smeaton, Abbey Whitcomb and Ashley Miller all from Dillingham; Kaykee Hill from Igiugig; Joachim Gumlikpuk from Koliganek; Wade Delkittle from Nondalton; and Hayden Johnson from Eagle River.

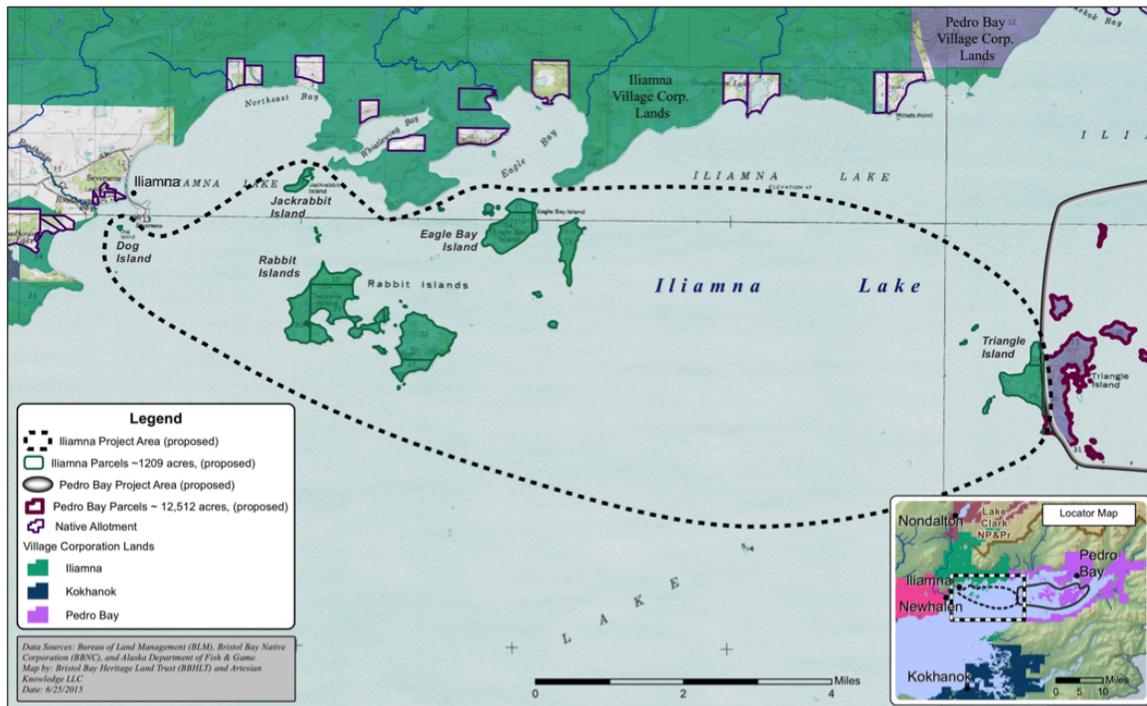
In addition to the Land Trust, Bristol Bay Native Corporation and Trout Unlimited the other key sponsors for the 2019 academy included the Rasmuson Foundation, Orvis Inc., Bristol Bay Economic Development Corporation, The National Oceanic and Atmospheric Administration, Bristol Bay Native Association, The Alaska Conservation Foundation and the Southwest Alaska Salmon Habitat Partnership. Tikchik Narrows Lodge and Bristol Bay Lodge also helped with flights and logistics.

The 2020 Academy is scheduled to move to a location on Lake Iliamna.

For more information visit: <https://bristolbayriveracademy.org/>

Iliamna Natives LTD and Land Trust Close Conservation Deal

In August the Land Trust and Iliamna Natives LTD were finally able to close on a perpetual conservation easement deal to protect 1210 acres over 30 islands owned by the Native village corporation on Lake Iliamna. The terms of the easement had been successfully negotiated in 2017 but closing was delayed when a critical funder had to back out at the last minute. With the help of The Conservation Fund and the Alaska Department of Natural Resources a grant from the National Coastal Wetlands program of the U.S. Fish & Wildlife Service was secured for the project. The Coastal Wetlands grant was combined with additional support from the Bristol Bay Regional Seafood Development Association and a generous donation from a Dillingham commercial fisherman to secure the easement.



The conservation easement agreement with Iliamna Natives LTD complements and abuts a nearly identical easement with the neighboring Pedro Bay corporation. The combination of the two easements brings a total of 13,910 acres over 173 islands into conservation protection creating the Iliamna Islands Indigenous Protected Area– the only perpetually protected place on the world’s largest salmon producing lake.

Creating the Iliamna Islands Indigenous Protected Area became a priority of the Land Trust because the islands provide the principal haul-out locations for Lake Iliamna’s globally unique population of freshwater seals. In addition to seals, scientific research partially underwritten by the Land Trust, also showed these islands were home to distinct genetic groups of Bristol Bay Sockeye salmon that over time have adapted to spawning next to beaches located in these islands and in the bays, rivers and streams located in this portion of the Lake. This area is especially important to the commercial fishery as for the six year it has produced 50% or more of the Sockeye returning to the Lake.

SAILING BACK TO BRISTOL BAY HOMER TO NAKNEK 2020

Once There Were Thousands, Now There is One



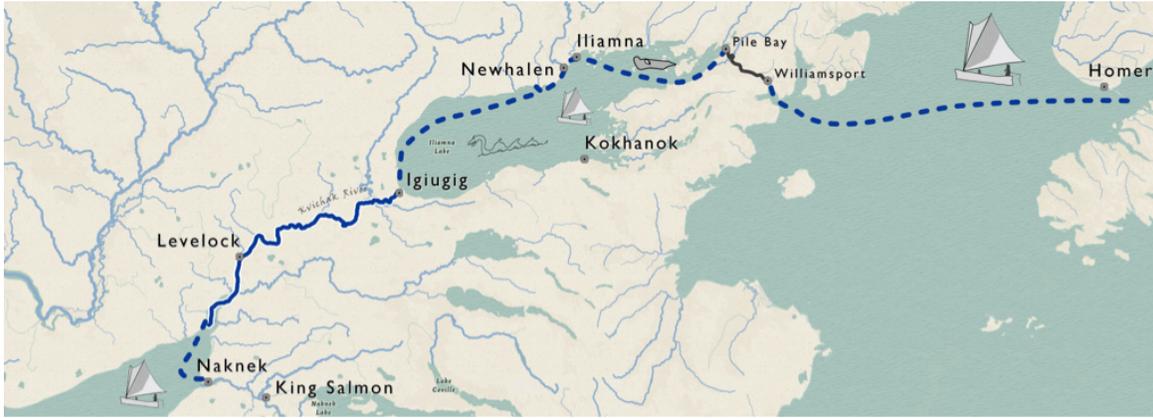
Connecting people to the history and culture of Bristol Bay has always been part of the mission of the Land Trust. Protecting land and water over generations can only succeed if those generations feel attached to place. Commercial salmon fishing has been in the DNA of Bristol Bay since 1884, and the wooden double-ended sailing gillnetter was the boat from which those salmon were harvested for the first 67 years of the fishery. Over the course of those 67 years thousands of Bristol Bay Double-Enders were built. Power replaced sail in 1951 when the canning companies finally succumbed to the pressure of fishermen tired of risking their lives in a vessel that had been obsolete for decades. Many, if not most, of the commercial fishers in Bristol Bay today trace their origins in the fishery to one of the “Iron men of Bristol Bay” who mastered the art of fishing from one of these boats. Bristol Bay is literally a fishery born on the wind.

Today most of the sailboats are gone. There are a few in museums and a handful that are still seaworthy. One of the remaining seaworthy boats is in Homer, Alaska. 2020 marks the 20th Anniversary of the formation of the Bristol Bay Heritage Land Trust. To celebrate this anniversary, the longevity of the commercial fishery, and the completion of the Iliamna Islands conservation easement that helps preserve that fishery, the Land Trust has combined with the owner of the boat, Dave Seaman, to sail it from Homer to Naknek this coming summer.



The plan is to launch the sailboat from Homer during the July 4 celebration, sail across Cook Inlet, portage on the road from Cook Inlet to Lake Iliamna, stop in each village on the Lake Iliamna, sail down the Kvichak River and Kvichak Bay and arrive on an incoming tide on July 17 in time for Fishtival - Naknek's annual end of the fishing season celebration.

You can follow the progress of the project on Facebook at facebook.com/forsalmonsake/



FOR EVERY \$1 DONATED, THE LAND TRUST RAISES ANOTHER \$22

From 2008 to 2018 lodges and their guests, local residents, commercial fishermen and Alaskans donated \$331,407 to sustain the Land Trust. In this same period the Land Trust raised another \$7,479,571 from government and foundation grants and support from conservation partners like The Conservation Fund and the Southwest Alaska Salmon Habitat Partnership. Of these funds \$4,775,000 was used specifically to acquire conservation protection for 13,230 acres in Bristol Bay.

Donate



The Bristol Bay Heritage Land Trust is a Non-profit partner in the 1% for the Planet Program. If your business is a partner and contributes to a participating environmental cause, consider supporting the Land Trust.



Bristol Bay Heritage Land Trust
P.O. Box 1388
Dillingham, AK 99576

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Learn how to help in our efforts to conserve the world's best salmon-based fishery and culture in Bristol Bay, Alaska.

Our mailing address is:

Bristol Bay Heritage Land Trust
P.O. Box 1388
Dillingham, AK 99576



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