



CITY OF WASILLA

P. O. BOX 430
WASILLA, ALASKA 99687
PHONE: 376-5227

RESOLUTION NO. W77-T-1

A RESOLUTION OF THE CITY OF WASILLA, ALASKA REGARDING ADOPTION OF A SALES TAX COLLECTION ORDINANCE.

WHEREAS, the City Council of Wasilla, Alaska has asked the voters to authorize a sales tax not to exceed 1/2 of 1% at a special election June 14, 1977; and,

WHEREAS, the voter, in order to make a responsible choice, must know what rules and regulations that tax would be collected under:

NOW THEREFORE BE IT RESOLVED, that should the voters approve the sales tax issue the Wasilla City Council will adopt the attached ordinance in its entirety, Ordinance No W77-T-2, as the ordinance implementing the tax.

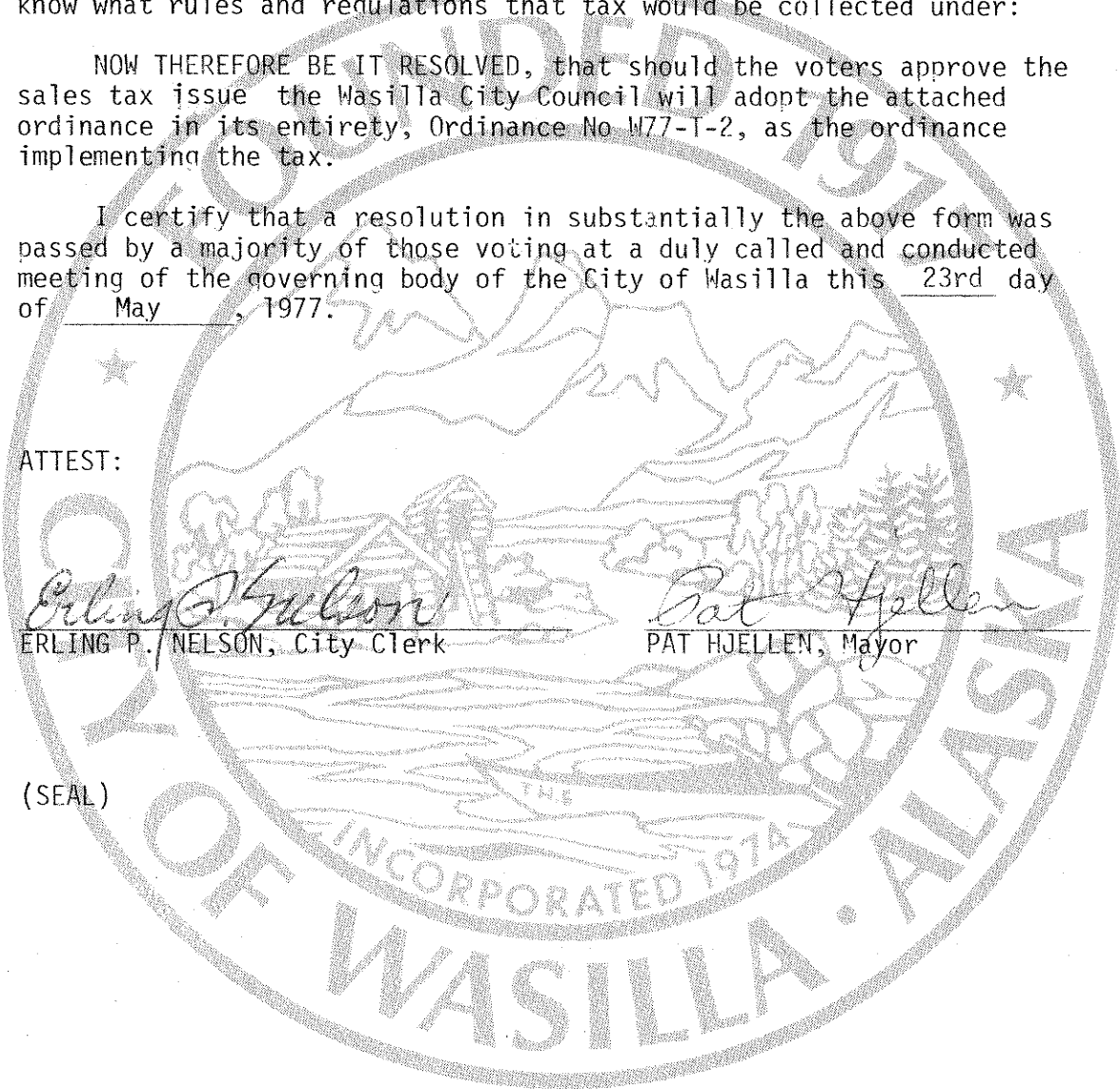
I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 23rd day of May, 1977.

ATTEST:


ERLING P. NELSON, City Clerk


PAT HJELLEN, Mayor

(SEAL)



ORDINANCE NO. W77-T-2

AN ORDINANCE OF THE CITY OF WASILLA, ALASKA, PROVIDING FOR THE LEVYING AND COLLECTION OF A SALES TAX.

BE IT ORDAINED AND ENACTED BY THE CITY OF WASILLA, ALASKA, AS FOLLOWS:

SECTION 1. DEFINITIONS. When not otherwise clearly indicated by the context, the following words and phrases as used in this chapter shall have the following meanings;

- a. "Bulk Sales" means sale of unpackaged items in large quantities.
- b. "Buyer" includes persons who are purchasers of property and services and lessees of property.
- c. "Distraint" means (to seize and hold property) as security for a debt.
- d. "Mail Order Sales and Sales made by Personal Solicitation". Sales to consumers made by mail order houses or other sellers having a place of business within the city or having a place of business elsewhere, but who solicit sales with the city, are taxable if the order is accepted within the city and delivery is made by the seller at such place of business or elsewhere within the city.
- e. "Mayor" means the mayor of the City of Wasilla, or his designee.
- f. "Person" includes individuals and every person recognized in law, and every group of the aforesaid who act as a unit.
- g. "Rents" includes every letting or renting of property for consideration.
- h. "Retail Sale" shall be construed to mean the transfer of title to tangible personal property for consumption or use, and not for resale, in substantially the same form or condition. Retail Sale includes every sale of property, regardless of quantity or price, except the following:
 1. Sales to wholesale and retail dealers in the property sold, for the purpose of resale within the city by such dealer;

2. Sales of tangible personal property as raw materials to a person engaged in manufacturing for sale, which property becomes an ingredient or component part of the manufactured product or a container thereof, or enters directly into the manufacturing process. A building or construction contractor or subcontractor is not a "person engaged in manufacturing."
- i. "Sale" shall include all retail sales, rentals and all services. Installment, credit and conditional sales are included within the term.
- j. "Sales price" means consideration paid by the buyer in terms of money and, in the case of a sale involving an exchange of property, the fair market value of the property exchanged, all without any deduction for delivery costs, taxes or any other expenses whatsoever.
- k. "Seller" includes persons or their agents who are vendors of and lessors of property, and persons furnishing services, and every person making sales.
- l. "Services" includes all services of every manner and description which are performed or furnished, for compensation and, by way of illustration, includes the following:
 1. Professional services;
 2. Services in which a product or sale of property may also be involved, including personal property made to order;
 3. Utilities, repair, construction, transportation, banking, advertising, maintenance, recreation, amusement, contracting and craftsmen's services;
 4. Services rendered for compensation by any person who furnishes any such service or services in the course of his business or occupation;
 5. Services wherein labor and materials are used to accomplish a specified result.

SECTION II. From and after June 30th 1977, there shall be levied and collected a sales tax equal to the sum of two (2) percent on the selling price of all retail and wholesale sales made within the City of Wasilla when the sales amount to thirty-five (35) cents or more. For example:

- a. The collection schedule shall be as follows:

SALES TAX: 2%

If the amount of
the Sale is:

then the tax is:

Under .35
.35 - .74
.75 - 1.24
1.25 - 1.74
1.75 - 2.24
2.25 - 2.74
Over 2.75

None
.01
.02
.03
.04
.05
2% of price

- b. A sale of a number of items separately priced shall be taxed upon the aggregate price.
- c. Coin-operated machines shall collect a tax, not under the foregoing schedule, but two percent of the consideration received expressed in tenths of cents. The breakdown of sales price and tax shall be explained upon the device.

SECTION III. APPLICABILITY OF TAXES. The following items shall have a sales tax levied and collected upon them.

1. All tangible personal property unless exempted in Section IV.
2. Natural or artificial gas, electricity, ice, steam, water, or any public service or public utility.
3. Transportation for hire of persons by common carrier, including motor transportation, taxicab companies, and all other means of transportation for hire.
4. Service by telephone companies to subscribers or users, including transmission of messages, whether local or long distance. This shall include all services and rental charges having any connection with telephone service, but not include deposits.
5. Printing or printed matter of all types, kinds or characters and the service of printing or over printing.
6. The service of renting rooms or living quarters or offices or other commercial space of whatever name or nature by hotels, apartments, rooming houses, public lodging houses or by firms or individuals renting single or multiple unit residences or offices or other commercial space.
7. Foods, confections and all drinks sold and dispensed by hotels, restaurants, or other dispensers and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere.
8. Advertising of all kinds, types and character contracted for or sold in Wasilla, including any and all devices used for advertising purposes and the servicing of advertising devices.
9. Gross proceeds derived from the operation of punch boards, slot machines, marble machines, juke boxes, merchandise vending machines or amusement devices of any kind.

10. The sale of tickets or admissions to places of amusement, entertainment, recreational or athletic events, or dues or fees for the privilege of having access to or use of amusement, entertainment, athletic or recreational facilities, including free or complimentary passes and tickets, admissions, dues or fees. Such free or complimentary passes and tickets, dues or fees are hereby declared to have a value equivalent to the sale price or value of said tickets, passes, admissions, dues or fees.
11. For the purposes of this Chapter, sales and services of tangible personal property made for the purpose of developing and improving real estate, even though such real estate is intended for resale as real property, are hereby declared to be sales to consumers or users. Sales and/or services of tangible personal property, including materials, supplies and equipment made to contractors who use same in the performance of any contract, are hereby declared to be sales to consumers or users, and all taxable sales of tangible personal property to persons who are primarily engaged in selling their services shall be deemed sales to consumers or users and, therefore, taxable.
12. Services of dry cleaners, laundries, garages, barber and beauty shops, cold storage, and locker plants.
13. Other services falling within the meaning as defined in Section I and not specifically excluded by Section IV.
14. Retail sales of motor fuels.
15. Services rendered by barbers, cosmeticians, masseurs, druggists and pharmists.
16. Services by nurses not performed in a hospital or at the direction of a physician.

SECTION IV. EXCLUDED FROM TAXATION. The following items will be exempt from taxation under this act.

1. Casual and isolated sales not exceeding fifty dollars (\$50.00) and not made in the regular course of business.
2. Sales of insurance and bonds of guaranty and fidelity.
3. Gross receipts or proceeds derived from funeral charges and services, medical or dental services rendered, and hospital services.
4. Gross receipts or gross proceeds derived from the sale of tangible personal property or services by churches, except where such organizations are engaged in business for profit or savings, or competing with other persons engaged in the same or similar business.
5. Gross receipts or proceeds derived from the transportation of students to and from grade or high schools in motor or other vehicles.
6. Gross receipts or proceeds derived from the sale of food in public, common, high school or college cafeterias or lunch rooms operated primarily for the public and not operated for profit.
7. Gross receipts or proceeds derived from carrier sales made directly to consumers or users of newspapers or any other periodicals,
8. Gross receipts or proceeds derived from sales or services which the municipality is prohibited from taxing under the laws of the State of Alaska, or under the laws of the United States; or gross receipts of proceeds from the transportation, loading, unloading or storing of cargo from vessels or aircraft in foreign or interstate commerce, or on goods in transit or awaiting and being processed for shipment.
9. Gross receipts or proceeds derived from sales to the United States Government, State of Alaska, any political subdivision thereof, or the City of Wasilla, Alaska.

10. Dues or fees to clubs, labor unions or fraternal organizations.
11. Real estate agent's gross receipts received on behalf of owner and derived from sale of real property, but excepting the real estate agent's fee earned as commission for sale of such property, which fee or commission shall be taxable.
12. Sales of tickets for school entertainments, school athletic events, and activities conducted for charitable purposes or community benefits.
13. Bulk sales of feed, seed and fertilizer to farmers.
14. Interstate air, train and boat fares.
15. Receipts from the filling of doctor's prescriptions by licensed pharmacists.
16. Sales of drugs and medicines for use in hospitals and clinics.
17. Sales of food supplies to cafes, restaurants and other establishments where food is sold to the public for use in the normal course of business of cafes, restaurants and other such establishments.
18. Sales of food supplies to hospitals, to children's homes having six (6) or more charges, recreational camps and schools shall be exempt provided a certificate authorizing such exemption is first obtained from the City.
19. Services performed by medical doctors and dentists and retail sales of prescription drugs.
20. Services rendered by an employee to an employer

SECTION V. MAXIMUM TAX. The maximum tax for purchase of a single item shall be \$20.00. It shall not be construed that purchase of supplies, oil or gas, or equipment or goods, machinery, or any combination of items of merchandise be considered a single sale for the purpose of securing a tax reduction under this section.

SECTION VI. TAX COLLECTORS-REGISTRATION-CERTIFICATE.

- a. All sellers shall file with the mayor's office an application for a certificate of registration on a form prescribed by the mayor not later than ten days after the date of commencing business or opening additional places of business.
- b. Upon receipt of a properly executed application, the mayor will issue without charge to the seller a certificate of registration, stating the address of the place of business to which it is applicable and authorizing such seller to collect the tax. The certificate must be prominently displayed at the place of business named therein. A seller who has no regular place of business shall attach such certificate to his stand, truck or other merchandising device.
- c. The certificate of registration is nonassignable and nontransferable and must be surrendered to the mayor by the seller to whom it was issued upon his ceasing to do business at the location named therein. If the business is continued at the same location but there is a change in its form or organization, such as from a single proprietorship to a partnership, the admission or withdrawal of a partner, or any other change, the seller making such change shall surrender his old certificate to the mayor for cancellation. The successor seller is required to file a new application for a certificate of registration. Upon receipt of such application properly executed, a new certificate bearing a new number will be issued to such successor seller.

SECTION VII. For the purpose of making it clear to the consumer that a sales tax is being paid, the seller shall either:

1. Add the tax herein imposed to the sale price or charge, showing the tax as a separate and distinct item or;
2. Post prominently a notice that the tax has been incorporated into the posted sale price or charge. A notice thus posted shall be in a location easily seen by the customer and shall state clearly the amount of the added tax as herein prescribed. If a seller chooses this method all invoices shall indicate the percentage of tax included in the selling price.

SECTION VIII. Funds collected under this act shall be deposited into the General Fund for operating the City of Wasilla.

SECTION IX. Burden of Establishing Exemption - Procedures and Forms. The burden of establishing any tax exemption is upon claimant. The City Clerk shall propose to the council procedures, regulations and forms to facilitate proper claiming of exemptions.

SECTION X. COLLECTION AND TAX RETURNS.

- a. Tax returns shall be made on a form as prescribed by the Council. All returns shall be kept in a confidential file and shall be kept for a period of 3 years. It shall be the duty of every taxpayer required to make a return and pay any tax under this Chapter, to keep and preserve suitable records of the gross daily sales together with invoices of purchases and sales, bills of lading, bills of sale and other pertinent records and documents which may be necessary to determine the amount of tax due hereunder and such other records of goods, wares, merchandise and other subjects of taxation under this Chapter as will substantiate and prove the accuracy of such returns. It shall also be the duty of every person who makes sales for resale to keep records of such sales which shall be subject to examination by the City Clerk or any authorized employee thereof while engaged in checking or auditing the records of any taxpayer required to make a report under the terms of this Chapter. The burden of proof as to whether a sale is not taxable shall rest with the seller.
- b. When due - Those businesses operating continuously within the City of Wasilla for more than one year may, upon request in writing of the Council, be permitted to report collection and pay taxes quarterly. All other businesses shall report and pay the tax monthly.
- c. Delinquent date - The total tax payable to the City for any given quarter shall be paid to the City Treasurer or Director of Finance, for the use and benefit of the City, on or before the last day of the month following the due date, and all the taxes payable but not so paid, shall become delinquent on the first day of the following month.

- d. Delinquent interest rate - If the seller fails to pay to the City any tax payable when due, a penalty of 5% per month of such tax shall be added for each month or portion of a month of delinquency and an additional 5% for each additional month or fraction thereof of delinquency, to a maximum of 15% is reached. In addition, interest at 8% per annum of the delinquent tax from the date of delinquency shall accrue. Any delinquent charge or interest charge shall be collected in the same manner as the tax.
- e. Extension of time - The City Council may, at its discretion, upon written application duly made, grant an extension of time limit for filing returns and remitting the tax each month to any person or firm, provided that such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon such person or firm; that such person or firm is not delinquent in any payment of tax or filing of returns or otherwise in violation of this Chapter, and provided further that no such extension shall be for more than twenty-one (21) days for each collection period. No person or firm shall be granted more than two such extensions in a 12 month period. No such extension shall be made retroactive to cover existing delinquencies.

SECTION XI. Sale of Business - Final Tax Return - Liability of Purchaser.

If any seller sells out his business to another person, he shall make a final sales tax return within fifteen days after the date of selling the business; and his purchaser, successor, successors, or assigns, shall withhold a sufficient portion of the purchase money to safely cover the amount of such sales taxes, penalties and interest as may be due and unpaid to the City, showing that all tax obligations imposed by this chapter have been paid;

and further provided, if any purchaser of a business fails to withhold from the purchase, money as herein provided, he shall be personally liable for the payment of taxes, penalties and interest accruing and unpaid to the City on account of the operation of the business by any former owner, owners or assigns.

SECTION XII. Lien's

Lien - when required.

- a. If a person, firm, corporation or organization who is liable to pay a sales tax under the provisions of this chapter neglects or refuses to pay the tax after demand, the amount (including interest and penalty and additional costs that accrue) is a lien in favor of the City upon all property, and rights to property, real or personal, belonging to the person, firm corporation with which the sale, rental or service was performed for which the tax is due.
- b. Lien - period. The lien arises at the time of delinquency and continues until the liability or the amount is satisfied or the lien is foreclosed.
- c. Lien - when invalid. The lien is not valid as against the mortgagee or other lienholder, pledgee, purchaser, or judgment creditor until notice of it is filed in the office of the Wasilla city clerk.
- d. Lien - City attorney action. In a case where there is a refusal or neglect to pay a tax (including interest, penalty, additional amount, or addition to the tax, together with additional costs that accrue), the city attorney, at the request of the City Council, may file an action in the superior court to enforce the lien of the City for the tax upon property and rights to property, real or personal, or to subject the property and rights to property owned by the delinquent, or in which he or it has a right, title, or interest, to the payment of the tax. The action shall be commenced and pursued in the manner provided for the foreclosure of liens AS 09.45.170 through 09.45.220, and the action

may be started at any time within six years after the lien arises.

- e. Lien - property sale. The City Council may collect taxes, with interest, penalties, and other additional amounts permitted by law, by distraint and sale of the property of the person, firm, corporation or organization liable to pay the taxes, interest, penalty or other additional amount, who neglects or refuses to pay them within ten days from the mailing of notice and demand for payment of them.
1. In case of neglect or refusal to pay taxes or deficiencies as provided in this section, the Council may levy, or, by warrant issued by it, authorize any police officer to levy upon, seize and sell all property, except exempt property belonging to the person, firm, corporation or organization for the payment of the amount due, with interest and penalty for nonpayment, and also of a further amount sufficient for the fees, costs and expenses of the levy.
 2. When distraint is made as provided in this section, the police officer charged with the collection shall make or have made an account of the property distrained, a copy of which, signed by the police officer making the distraint, shall be left with the owner or possessor of the property, or at his dwelling or usual place of business, if a person of suitable age and discretion can be found, or if the tax payer is a corporation or other type of organization with an officer, manager, general agent, or agent for process, with a note in the amount demanded at the time and place of sale.
 3. The police officer shall immediately publish a notice of the time and place of the sale, together with a description of the property distrained, in a newspaper published in the area, and in the discretion of the Council have the notice publicly posted in three public places within five miles of the place where the sale is to be

held, one of the notices to be posted at the Post Office nearest to the place where the sale is to be made.

4. The time of the sale shall be not less than ten or more than sixty days from the date of the notification to the owner or possessor of the property, and the place proposed for the sale shall not be more than five miles from the place of making the distraint. The sale may be adjourned from time to time by the police officer if he considers it advisable, but not for more than ninety days in all.
5. When the property is advertised for sale under the distraint, the police officer making the seizure shall proceed to sell the property at public auction, offering the property at not less than a fair minimum price, including the expenses of making the seizure and of advertising the sale, and if the amount bid for the property in the sale is not equal to the fair minimum price so fixed, the police officer conducting the sale may declare the property to be purchased by him for the City. Property so purchased may be sold by the police officer under regulations prescribed by the City Council.
6. The property distrained shall be restored to the owner or possessor if, before the sale, payment of the amount due is made to the police officer charged with the collection, together with the fees and other charges; but in case of nonpayment, the police officer shall proceed to sell the property at public auction. The owner of the real property sold under this section, his heir, executor, administrator or successor or a person in his behalf may redeem the property sold or a particular tract of the property at any time within one year after the sale thereof; the property or tract may be redeemed upon

payment to the purchaser or, if he cannot be found, then to the City for the use of the purchaser, his heirs or assigns, the amount paid by the purchaser and interest on it at the rate of six percent a year.

7. In the case of property sold, the police officer conducting the sale shall give to the purchaser a certificate of sale on payment in full of the purchase price. In the case of real property, the certificate shall set out the real property purchase, the amount of taxes for which the same was sold, the name of the purchaser and the price paid for it.
8. In the case of real property sold under this section and not redeemed in the manner and within the time provided herein, the City shall execute to the purchaser of the real property at the sale, the deed of the real property so purchased by him, reciting the facts set forth in the certificate.
9. If real property is declared purchased by the police officer for the City at a sale under this chapter, the police officer shall, at the proper time, execute a deed for it after its preparation and the endorsement of approval as to its form by the city attorney and without delay cause the deed to be duly recorded in the proper registry of deeds.
10. In all cases of sale of property under this chapter other than real property, the certificate of sale:
 - a. Is prima facie evidence of the right of the police officer to make the sale, and conclusive evidence of the regularity of his proceedings in making the sale;
 - b. Transfers to the purchaser all right, title, and interest of the delinquent in and to the property sold;

- c. Where the property consists of stock, is noticed, when received, to the corporation, company, or association to record the transfer on their books and records in the same manner as if the stock were transfer or assigned by the party holding the stock in lieu of an original or prior certificate, which is void, whether cancelled or not; and
 - d. Where the subject of the sale is security or other evidence of debt, is a good and valid receipt to the person holding it, as against a person holding or claiming to hold possession of the security or other evidence of debt.
11. In the case of the sale of real property under this chapter:
- a. The deed of sale given under the provisions of this chapter is prima facie evidence of the facts stated in it; and
 - b. If the proceedings of the City Council as set out have been substantially in accordance with the provisions of law, the deed is considered and operates as a conveyance of all the right, title and interest that the party delinquent had in and to the real property that sold at the time of the lien of the City attached to it.
12. If property seized and sold under the provisions of this chapter is not sufficient to satisfy the claim of the City for which distraint or seizure is made, the police officer may, thereafter, and as often as is necessary, proceed to seize and sell in like manner any other property liable to seizure of the taxpayer against who the claim exists until the amount due from the taxpayer together with all expenses is fully paid.

13. A person in possession of property, or rights to property, which is subject to distraint, upon which a levy is made, shall, upon demand by the police officer making the levy, surrender the property or rights to the police officer, unless the property or right is, at the time of the demand, subject to an attachment under judicial process. A person who fails or refuses to so surrender the property or rights is personally liable to the City in a sum equal to the value of the property or rights not so surrendered, but not exceeding the amount of the taxes or deficiencies, including penalties and interest for the collection of which levy is made, together with costs and interest from the date of the levy.
14. All persons shall, on demand of a police officer about to distraint or having distrained on property, or rights of property, exhibit all books containing evidence or statements relating to the subject to distraint, or the property on rights of property liable to distraint for the tax due.
15. The provisions of this chapter are not exclusive but are in addition to all other existing remedies provided by law for the enforcement of a levy and collection of taxes of the City.

SECTION XII. PENALTIES. A seller who fails,

neglects or refuses to collect the full amount of the tax imposed by this Chapter, or fails, neglects or refuses to comply with the provisions of this Chapter, or permits or rebates to a consumer or user, either directly or indirectly and by whatsoever means, all or any part of the tax levied by this Chapter, or makes in any form of advertising, verbally or otherwise, any statement which infers that he is absorbing the tax, or paying the tax for the consumer or user by an adjustment of prices or at a price including the tax, or in any

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manner whatsoever; shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than Two Hundred Dollars (\$200.00).

INTRODUCED BY

EFFECTIVE DATE

INTRODUCTION DATE

ADOPTING AUTHORITY

HEARING AND ADOPTION DATE

CITY CLERK

MAYOR'S SIGNATURE