

**CITY OF CRAIG  
COUNCIL AGENDA  
MAY 20, 2021  
COUNCIL CHAMBERS 6:30 PM**

**ROLL CALL**

Mayor Tim O'Connor, Hannah Bazinet, Jim See, Julie McDonald, Michael Kampnich, Chanel McKinley, Millie Schoonover

**CONSENT AGENDA**

*Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed and placed on the regular meeting agenda.*

- Ordinance No. 736: Updating Section 3.10 of the Craig Municipal Code

**HEARING FROM THE PUBLIC**

- Open for public comment
- Ordinance No. 734: Sale of City Owned Tide and Submerged Lands to Rodney Payne
- Ordinance No. 735: Rezoning Tract F, USS 1429
- Resolution 21-10, Establishing November 27, 2021 as Sales Tax Free Day in Craig
- Resolution 21-11, Supporting the Port St. Nicholas Road Paving and Waterline Replacement
- Presentation from Cedar Group Regarding Proposed New ANCSA Corporation Land Selections on POW Island

**READING OF CORRESPONDENCE**

- Southeast Senior Services Support Thank You Letter
- POW Vocational & Technical Education Center Donation Letter

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Ordinance No. 734: Sale of City Owned Tide and Submerged Lands to Rodney Payne
- Ordinance No. 735: Rezoning Tract F, USS 1429
- Resolution 21-10, Establishing November 27, 2021 as Sales Tax Free Day in Craig
- Resolution 21-11, Supporting the Port St. Nicholas Road Paving and Waterline Replacement

**UNFINISHED BUSINESS**

- Consider Options for Acquisition of Garbage Truck

**NEW BUSINESS**

- Consider Change to Covid-19 Protocols

**COUNCIL COMMENTS**

**ADJOURNMENT**

Note: City council meetings have limited seating capacity due to COVID-19 protocols. For those wishing to attend the council meeting remotely go to:

<https://zoom.us/j/5281996980?pwd=V1RCbnJVcm85bDIRbURmNTdORjZkdz09> (if you are prompted for a passcode, use code 1111), or watch the meeting at:

<https://www.youtube.com/channel/UCTou8Pn03MIEjLLb9Em0Xrg> . To provide public comment to the council remotely, contact the Craig City Clerk at [cityclerk@craigak.com](mailto:cityclerk@craigak.com), before 5:00 p.m. the day of the council meeting

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 13, 2021  
RE: Ordinance No. 736: Updating Section 3.10 of the Craig Municipal Code

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Attached you will find Ordinance No. 736. The ordinance updates the Remote Sellers Sales Tax Code found at Section 3.10 of the Craig Municipal Code.

A year ago the city council adopted Ordinance No. 726. That ordinance first enabled the City of Craig to collect sales tax from online vendors that made sales to persons who had those goods shipped or service delivered to a Craig address. Since adoption of Ordinance No. 726, the city, through the Alaska Remote Seller Sales Tax Commission (RSSTC), has received some \$60,000 in sales tax receipts from online sales that would otherwise likely not have been subject to the city's sale tax code.

Among the commission's activities since it formed is one to update the remote sellers sales tax code to improve effectiveness of the code in response to input from online vendors, commission members, and commission staff. In February the commission's governing body approved the updated code and distributed it to member communities for local adoption.

The updated code is adopted in whole by Ordinance 736, in Addendum A. The proposed changes are many. A summary of those changes is attached in the helpful document titled "Uniform Code Updates – March 2021".

City staff also has a 22-page document from the commission that shows specific page-by-page edits, deletions, and additions. I have not included that document in the council packet, but would be happy to supply it to anyone wishing to read through the document.

The commission also provided a three-page opinion from its law firm providing justification for the definition of the term "services" in Addendum A.

As a member of the RSSTC, the City of Craig will need to continue to maintain a code compliant with the commission.

### **Recommendation**

Approve Ordinance No. 736 at first reading.



**To: ARSSTC Members**

**From: Clinton Singletary, Statewide Municipal Sales Tax Director**

**Re: Uniform Code Updates – March 2021**

Over the months of December & January, Commission staff met weekly with representatives from member jurisdictions to discuss and work through numerous code updates that Commission staff have been accumulating over the last year. Many of these needed updates are more clerical in nature, but several are more substantive and will have a clear impact on the Commission and/or member jurisdictions.

Following is a breakdown of the more substantive updates that were agreed upon by the Code Update Working Group, including a brief justification / background of why the update is being recommended.

At its February 24, 2021 meeting, the ARSSTC Board of Directors formally approved the proposed updates to the Uniform Code.

Code Section	Description	Justification / Background
Section 040(A)	Threshold calculation updated to include current year, not just previous calendar year.	Not as limiting a timeframe since there are now two time windows to be examined in determining threshold.
Section 050	Was the old Section 230; renamed section to more accurate description; included language for local sale.	No change to the original intent of this section. Section title better describes goal of section and inclusion of “local sale” better describes the type of transaction. “Local Sale” was also added as a new definition.
Section 080 A & B	Remove registration requirement for marketplace sellers who only sell on marketplaces.	Tax would already be collected by the marketplace, the seller would have nothing to report. Versions of this can be found in other states. Added affidavit requirement.
Section 080 (H)	Member jurisdiction business license clarification	Add language explaining that registration as remote seller satisfies jurisdiction business license requirements, but only if seller does not have physical presence in jurisdiction. Common question from sellers.
Section 090 (B)	Allow for annual filing frequency, dependent on member jurisdiction code allowances.	Will be modifying filing frequency change policy to only grant annual if no taxable sales.
Section 110 (A)	Clarifies rounding language	Specifies that only gross sales and exempt sales should be rounded.
Section 120 (C)	Interest on refund requests	Specifies that the Commission will not pay interest on refund requests.



Section 170 (A)	Late Filing fee language	Update late filing fee to max out at 4 months, same as penalty in C.
Section 170 (F)	Penalty Waivers	The code specifies the timeframe in which a waiver can be requested and limits the waiver to one a year. Waiver policy will be developed to fine-tune the number of waivers allowed and the circumstances that will qualify for a waiver.
Section 180	Remote Reseller Certificate	Codifies the existence of the remote reseller certificate
Section 240	Penalty cleanup / clarification	Paragraph A was added to defer to member jurisdiction penalties if the member penalty is different.  Removed old paragraph E on late filing fees since that is a duplicate of Section 170.
Section 260	Savings Clause	Provides discrimination protection.
Section 270 – Definitions		
	Local sale	Used in Section 050
	Marketplace	Used in conjunction with definition of marketplace seller, for purposes of Section 080
	Marketplace Seller	For purposes of Section 080
	Point of Delivery	Added paragraph C specific to POD for services
	Remote Seller	Cleaned up definition to focus on a seller making sales into jurisdiction where the seller does not have physical presence. Applies to both in-state & out of state sellers.
	Services	Updated definition to specify any service provided which is delivered into a member jurisdiction.

**Other Changes throughout the Uniform Code**

- Throughout the code the use of the term jurisdiction was updated to focus on either taxing jurisdiction or member jurisdiction. These definitions were updated such that taxing jurisdiction is just a jurisdiction in Alaska with a sales tax. Member jurisdiction is a taxing jurisdiction that has adopted the Uniform Code.
- Sections 100(C), 130(C), 150(E), and 200 were all standardized for a 3-year timeframe, instead of the varying years.

**CITY OF CRAIG  
ORDINANCE No. 736**

AMENDING SECTION 03.10 OF THE CRAIG MUNICIPAL CODE, UPDATING THE  
REMOTE SELLER SALES TAX CODE

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

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

Section 3. Effective Date. This ordinance shall be effective July 1, 2021.

Section 4. Findings. The Craig City Council finds the following:

**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 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.

**WHEREAS,** the Craig City Council first adopted the Remote Seller Sales Tax Code on May 21, 2020, and updates that Code by adoption of this ordinance.

Section 5. Action. This ordinance adopts the Remote Seller Sales Tax Code detailed in Addendum A.

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor Tim O’Connor

Attest \_\_\_\_\_  
Tracey Jensen, City Clerk

**ORDINANCE No. 736**  
**ADDENDUM A**  
**REMOTE SELLER SALES TAX CODE & COMMON DEFINITIONS**

Title 3 of the Craig Municipal Code is hereby amended by adopting a new Section 3.10 to read as follows:

**3.10 ALASKA REMOTE SELLER SALES TAX CODE**

**SECTION 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 to be collected under this Code shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax to be collected under this Code shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in the member jurisdiction's Code.
- D. The scope of this Code shall apply to remote sellers or marketplace facilitators, delivering products or services into Member municipalities adopting this Code, within the state of Alaska.

**SECTION 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 member jurisdiction. The remote seller or marketplace facilitator remits collected sales tax to the Commission on behalf of the member jurisdiction, from whom that power is delegated, in trust for the member jurisdiction and is accountable to the Commission and member jurisdiction.

**SECTION 030 – Collection – Rate**

- A. To the fullest extent permitted by law, the sales tax levied and assessed by the member jurisdiction shall be collected on all remote sales where delivery is made within the member jurisdiction, within the state of Alaska.
- B. The applicable tax shall be added to the sales price as provided in the member jurisdiction's sales tax code, based on Point of Delivery.
- C. The tax rate added to the sale price shall be the tax rate for the member 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 member 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.

SECTION 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 current or 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 in 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 in 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.

SECTION 050 – Reporting and remittance requirements for local and remote sales

- A. Sellers with a physical presence in a member jurisdiction conducting only local sales shall report and remit to, and comply with standards of, including audit authority, the member jurisdiction.
- B. Sellers with a physical presence in a member jurisdiction that also have remote or internet-based sales where the Point of Delivery is in a different Member Jurisdiction shall (i) report and remit the remote or internet sales to the Commission; and ii) report and remit the local sales to the Member Jurisdiction.
- C. Sellers with a physical presence in a Member Jurisdiction that also have remote or internet-based sales where the Point of Delivery is in the same Member Jurisdiction shall report and remit those remote sales to the Member Jurisdiction.
- D. Sellers and marketplace facilitators that do not have a physical presence in a Member Jurisdiction must report and remit to the Commission all remote sales where the Point of Delivery is in a Member Jurisdiction.
- E. 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 member jurisdiction.

SECTION 060. – No Retroactive Application

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

#### SECTION 070 – 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 member 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.

#### SECTION 080 – Remote Seller and Marketplace Facilitator Registration Requirement

- A. If a remote seller's gross statewide sales meets or exceeds the Threshold Criteria from Section 040, the remote seller shall register with the Commission. If the remote seller is a marketplace seller and only makes sales in Alaska through a marketplace, the marketplace seller is not required to register with the Commission. The marketplace seller must submit an affidavit attesting to these facts on a form provided by the Commission.
- B. If a marketplace facilitator's gross statewide sales meets or exceeds the Threshold Criteria from Section 040, the marketplace facilitator shall register with the Commission.
- 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 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.
- D. 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.
- E. 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.
- F. Each business entity shall have a sales tax registration under the advertised name.
- G. The sales tax certificate is non-assignable and non-transferable.
- H. The sales tax certificate satisfies a member jurisdiction's requirement to obtain a municipal business license, provided the seller does not have a physical presence in that member jurisdiction.

#### SECTION 090 – 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 or less frequent filing is optional upon application and approval by the Commission, consistent with the code of the member 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.

SECTION 100 – 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 three (3) 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 three (3) 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 three (3) 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, under the provisions of section .160 of this chapter.
  - 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.

SECTION 110 – 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:
  - 1. Gross sales rounded to the nearest dollar;
  - 2. The nontaxable portions separately stating the amount of sales revenue attributable to each class of exemption, rounded to the nearest dollar;
  - 3. Computation of taxes to be remitted;
  - 4. Calculated discount (if applicable) based on member 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.

SECTION 120 – 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. Interest will not be paid on tax refund requests filed with the Commission.
- D. The Member Jurisdictions may allow a buyer to request a refund directly from the Member Jurisdiction.

SECTION 130 – 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 three (3) 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.

#### SECTION 140 – 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.

#### SECTION 150 – 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 member 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 three (3) 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.

#### SECTION 160 – Audit or Estimated Tax 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.

#### SECTION 170 – Penalties and Interest for Late Filing

- A. A late filing fee of twenty-five dollars (\$25) per month, or fraction thereof, shall be added to all late-filed sales tax reports, until a total of one-hundred dollars (\$100) has been reached. An incomplete return shall be treated as the filing of no return.
- 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, in accordance with the Commission's penalty waiver policy. The Commission shall report such waivers of penalty to the member jurisdiction, in writing.

#### SECTION 180 – Remote Reseller Certificate of Exemption

- A. A remote seller with no physical presence in a member jurisdiction purchasing goods or services for the express purpose of resale to buyer(s) located in that member jurisdiction shall apply for a resale certificate through the Commission.
- B. The Remote Reseller Certificate of Exemption will expire at the end of the calendar year it is issued.

#### SECTION 190 – 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 in accordance with the terms of 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.

#### SECTION 200 – 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 three (3) years from the date of the return reporting such sales, and shall preserve for a period of three (3) years all documentation supporting exempted sales of goods or services 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.

#### SECTION 210 – Cessation or Transfer of Business

- A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits, assigns, gifts or otherwise transfers (collectively, a “transfer”) the majority of their business interest, including to 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 transfer 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 transfer 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 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 remote seller or marketplace facilitator. If the notice is not mailed at least ten (10) business days before the transfer is completed, the Commission shall have twelve (12) months from the date of the completion of the transfer or the Commission's knowledge of the completion of the transfer within which to begin a final sales tax audit and assess sales tax liability against the remote seller or marketplace facilitator. 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 member 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 business entity, 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 person willfully fails to pay or cause to be paid any taxes due from the corporation. In addition, regardless of willfulness, each director, member, or general partner of the entity shall be jointly and severally liable for unpaid amounts. The person 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 entity 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.

#### SECTION 220 – 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 member 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:
  - A. The name and address of sellers and marketplace facilitators;
  - B. Whether a business is registered to collect taxes under this chapter;
  - C. 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. Except as otherwise provided herein, all returns referred to in this chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection.

#### SECTION 230 – 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 member 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.

#### SECTION 240 – Penalties for Violations

- A. In the event that a penalty provided below is different from the same penalty in a member jurisdiction's sales tax code, the penalty prescribed in the member jurisdiction's sales tax code will apply.
- B. 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).
- C. A remote seller or marketplace facilitator who knowingly or negligently falsifies or conceals information related to its business activities with the Commission or member jurisdiction is subject to a penalty of five hundred dollars (\$500).
- D. 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).
- 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.

#### SECTION 250 – 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 member 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 member 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 member 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.

#### SECTION 260 – Savings Clause

- A. If any provision of Chapter 3.10, the Remote Seller Sales Tax Code, and Chapter 3.08, Sales Tax Code is determined by the Commission or an adjudicatory body of competent jurisdiction to discriminate against a remote seller in favor of a local seller with a physical presence in the taxing jurisdiction, the discriminatory provision shall continue in effect only to the extent such provision does not discriminate against a remote seller, and the comparable code provision applicable to a local seller will apply to a remote seller, and the remainder of Chapter 3.08 and Chapter 3.10 shall continue in full force and effect.

#### SECTION 270 – 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 Remote Seller 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.

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

**“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.

**“Lease” or “rental”** means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend.

**“Local Sale”** means a sale by a seller with a physical presence in a taxing jurisdiction, where the point of delivery is a location within the same taxing jurisdiction.

**“Marketplace”** means a physical or electronic place, platform or forum, including a store, booth, internet website, catalog or dedicated sales software application, where products or services are offered for sale.

**“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, product 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 , 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.

**“Marketplace seller”** means a person that makes retail sales through any physical or electronic marketplace that is operated by a marketplace facilitator.

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

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

**“Physical presence”** for purposes of section .050 means a seller who establishes any one or more of the following within a member jurisdiction:

1. Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the member jurisdiction;
2. Solicits business or receiving orders through any employee, agent, salesman, or other representative within the boundaries of the member jurisdiction;
3. Provides services or holds inventory within the boundaries of the member jurisdiction;
4. Rents or Leases property located within the boundaries of the member jurisdiction.

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



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

- A. When the product is not received or paid for by the purchaser at a business location of a remote seller in a Member 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 Member Jurisdiction the sale is considered to have been made in the Member Jurisdiction where the purchaser is present even if delivery of the product takes place in another Member Jurisdiction. Such sales are reported and tax remitted directly to the Member Jurisdiction not to the Commission.
- C. When the service is not received by the purchaser at a business location of a remote seller, the service is considered delivered to the location where the purchaser receives the service.
- D. For products or services 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 of the sale to be 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.

**“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.

**“Property”** and **“product”** and **“good”** 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”** for purposes of section .030 and the definition of “Point of Delivery” means

- A. Taking possession of property or product;
- B. Making first use of services; or
- 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 for delivery within the State of Alaska without having a physical presence in the member jurisdiction in which delivery is being made.

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

**“Sale” or “retail sale”** means any transfer of property or product or any provision of service(s) for consideration for any purpose other than for resale.

**“Sales price” 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 into a member 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.

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

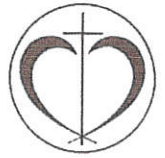
#### SECTION 280 – Supplemental Definitions

For purposes of this Chapter, the Commission may promulgate Supplemental Definitions that are incorporated into this Remote Seller Sales Tax Code, provided they are not in conflict with or contrary to definitions set forth in the general sales tax ordinance of the member jurisdiction. Supplemental Definitions are available at [www.arsstc.org](http://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.



# Southeast Senior Services

A Division of Catholic Community Service, Inc.



Helping elders in Southeast Alaska stay healthy, safe and independent

RECEIVED  
APR 29 2021

April 26, 2021

Mr. Jon Bolling  
City Administrator  
City of Craig  
PO Box 725  
Craig, AK 99921

Dear Mr. Bolling:

We want to thank the City of Craig for its generous support of our Craig/Klawock Senior Center. We are pleased to report the following services provided by our Craig/Klawock Senior Center staff in the third quarter of the Fiscal Year 2021:

- \* 85 senior citizens received 4,123 home-delivered meals.
- \* 44 senior citizens received 920 rides.

During the third quarter the Craig/Klawock Senior Center remained closed due to COVID-19. All elders were able to receive home-delivered meals during this time.

Please contact me at (907)463-6154 or [Marianne.mills@ccsjuneau.org](mailto:Marianne.mills@ccsjuneau.org) if you would like additional information.

Sincerely,

Marianne Mills  
Program Director

MM/acb



1803 Glacier Highway, Juneau, AK 99801 • Telephone: (907) 463-6177 • Fax: 888-756-6664

Find us on [www.facebook.com/CatholicCommunityServiceInc](https://www.facebook.com/CatholicCommunityServiceInc) • [www.ccsak.org](http://www.ccsak.org)

Prince of Wales Vocational & Technical Education Center



May 7, 2021

City of Craig  
PO Box 725  
Craig, AK 99921

RECEIVED  
MAY 10 2021

To Whom it May Concern,

We are interested in strengthening our partnership with local businesses on the island and really want to hear what you would like to see this facility put on in terms of classes, events, meetings, etc. and we are also seeking a donation. As an educational non-profit, our current estimate for operations is approximately \$85,000 a year to staff the facility and maintain operations. This does not include expenses for needed maintenance on the building, expenses associated with purchasing equipment and tools for vocational classes, or expenses to staff the facility with instructors. We currently have one grant to provide some workshop style trainings, and the remainder of our income is classroom/room rentals and donations. Our big conference room rents for \$200 for up to 8 hours or \$100 for up to 4 hours plus a \$30 set up/break down fee. Our small conference room rents for \$100 for up to 8 hours and \$50 for up to 4 hrs. You can post events on our lighted billboard for \$25 for 1 day or \$100 for 1 week. Please email us at [powvoctec@gmail.com](mailto:powvoctec@gmail.com) with your ideas or if you want to reserve a room.

History of Organization

Construction of the Prince of Wales Vocational and Technical Education Center (POW VOCTEC) facility was completed in 2014. With the intent of becoming an education 501(c)3, a Board of Directors was formed with members of the original planning committee. The Board of Directors includes representatives from the Island communities, four tribal governments, four school districts, the USFS, POW Health Network, SEARHC, the Chamber of Commerce, and at large members.

## Prince of Wales Vocational & Technical Education Center



### Services Provided

The mission of POW VOCTEC is to address the career preparation and employment and training needs of residents on Prince of Wales Island, through the establishment and operation of a regionally-serving vocational and technical learning center. The facility offers space for vocational training programs such as welding, woodworking, construction, and automotive care. It also has classrooms for traditional learning environments as well as distance learning.

POW VOCTEC has hosted high school courses in construction and welding, and the facility often rents the large classroom as meeting space for island wide style meetings, due to the facility's central location on Prince of Wales.

Due to Covid-19 outbreak, we have experienced extreme loss of revenue and would greatly appreciate any donation you can make to help us keep this facility open for all of our residents of Prince of Wales. Remember that every donation makes a difference, regardless of the size. Please send checks to PO Box 29, Klawock, AK 99925. Another way you can support us is to go to [org.amazon.com](https://www.amazon.com) Amazon Smile Charity Program and select Prince of Wales Vocational and Technical Education Center.

Thank you in advance for your support!

Sincerely,

A. Millie Schoonover, Chair  
POW VocTEC, Board of Director

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: April 7, 2021  
RE: Application to Sell City Property to Rodney Payne – Ordinance 734 Second Reading

Rodney Payne owns lot 5, Port St. Nicholas Subdivision Number 3, located within the Craig City limits. This subdivision fronts on city owned tide and submerged lands. The city has already approved an easement on the lot for a sewer outfall.

Mr. Payne has applied to the city for a sale of a portion of Tract A, ATS 1410 abutting lot 5 for the purpose of constructing and maintaining a private dock associated with a residential structure that will be constructed on Lot 5. The area of the lot will be laid out as an extension of the upland lot lines seaward about 150 feet to accommodate the dock and room to tie up a vessel all around the new dock. This sale is similar to property sold to Mr. John McCallum in front of lots 6 and 7 in the same subdivision in 2015. The area subject to this sale would be approximately 40,000 square feet.

The sale notice was published in the two editions of the Island Post with the public hearing originally scheduled at the regular city council meeting on April 15, 2021. The April 15<sup>th</sup> meeting was canceled due to lack of a quorum and the public hearing moved to the next scheduled meeting which was May 6<sup>th</sup>.

Market value sales of city owned land are set at a minimum price of the market value appraisal. The city council has authority to charge more, but the code sets the minimum value.

Since this is the first municipal land sale many of the council members will be a part of, the sequence of events for land sales are:

1. Application submitted to the city (COMPLETE)
2. Public Notice is posted for 30 days (including posting twice in the Island Post) and a Public Hearing is scheduled (usually at a regular council meeting) after the notice has been posted for at least 30 days. (COMPLETE)
3. First Reading/Consideration of an ordinance authorizing the city administrator to negotiate the sale. (COMPLETE)
4. Second Reading/Consideration of the enacting ordinance
5. If approved, staff works with the purchaser to complete a number of steps
  - a. The purchaser is responsible to hire an MAI certified appraiser (with city approval) and have the property appraised. Generally, the appraiser documents a “per square foot” value so that the overall value can be adjusted after the survey is complete.
  - b. The purchaser is responsible to hire a surveyor to complete a subdivision survey documenting the parcel to be sold.

- c. The planning commission approves the preliminary plat and the surveyor completes the plat.
  - d. Once the appraisal and survey plat are completed, we calculate the sales price (minimum) based on the market value and the actual square footage shown on the plat.
  - e. Staff works with the purchaser to finalize terms of the sale (generally a quit claim deed after full payment, payment generally required within 90 days)
6. The final sales terms are presented to the council for consideration
  7. Staff completes the financial transaction and issues a quit claim deed.

At the May 6, 2021 council meeting, the council had a discussion regarding the sale value of city property compared to the appraised values. Craig Municipal Code Title 16.03.040 directs that sale or disposal of real property owned by the city will be sold where “the price shall not be less than the fair market value plus the cost of the appraisal plus survey, platting, recording, and other costs to the city attendant to the transaction.” The city and/or the council has latitude to set the value higher than the appraised value during negotiations, but not lower.

It has been our practice in recent sales to require the applicant to directly hire a qualified appraiser with the city listed as a party to the appraisal. Generally, this has been fairly stable for the applicants since the council has generally approved these sales at or near the appraised value plus the other costs attendant to the transaction. In some cases, we have added some additional amount to account for additional costs in development (i.e. underground utilities).

If the council is interested in significantly increasing the sale price beyond the appraised value it may want to consider some changes to our regular practice. In order to provide some stability for the applicant and give the council an opportunity to weigh in on the negotiations after the appraised value is determined, it may make more sense for the city to hire an appraiser and pay for the appraisal up front and then bring the appraised value to the council for discussion before completing negotiations. The value of the appraisal would then be added to the final cost of the sale. Alternatively, the council may choose to settle on a more predictable view of the appraised value and direct staff to sell the property at the appraised value plus some premium percentage (for example, appraised value + 10%, etc.). If the final sale price is more predictable related to the appraisal, then we would be in a better position to require the applicant to pay for the appraisal up front. This would not require any change in the municipal code, just in our regular application of it. In terms of the steps laid out above, this would mean that the city would hire the appraiser at step 5a and then bring the appraised value back to the council for discussion before step 5b. The cost of the property would be calculated in step 5d based on the council input regarding the appraised value. The cost of the appraisal would be added as a term of the sale in step 5e. There is some risk that the city may pay for an appraisal and be stuck with the cost if the sale does not go through.

It is probably a good idea for the council to have further discussion about policy regarding both leases and sales of city property and potentially look at making changes to



the current code. I will prepare some information and bring it back to the council at a future meeting for a deeper discussion, but the council should make some decisions on the current application as it moves forward and amend the ordinance to include specific guidance on who should pay for the appraisal up front and how the council would like to set the sale value based on the appraisal.

Recommendation: The council should consider the discussion above and provide some specific guidance to staff related to sales price and appraisal for the current application by Mr. Payne. The council should take action as follows:

1. Move to Approve Ordinance 734 (this puts the ordinance on the floor for discussion)
2. Discuss the issues outlined above, particularly the issues related to who should pay for the appraisal up front, and the issue of the sale value relative to the appraisal
3. Move to Amend Ordinance 734 based on the discussion
4. Vote on the Amendment
5. Resume discussion and move/vote on any other amendments
6. When all amendments have been made and the council is finished discussing the issue, Vote on the original Motion to adopt the ordinance

1<sup>st</sup> Recommend Motion: Approve Ordinance 734, authorizing the city administrator to negotiate the sale of city owned property to Mr. Rodney Payne.

Motion to Amend: Move to amend Ordinance 734 (specific amendment based on the discussion)

**CITY OF CRAIG  
ORDINANCE No. 734**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH RODNEY PAYNE, THE TERMS OF A SALE OF CITY OWNED TIDE AND SUBMERGED LANDS AT TRACT A, ATS 1410

Section 1. Classification. This is a non-code ordinance.

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

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of approximately 40,000 square feet of city owned tide and submerged land, a portion of Tract A, ATS 1410. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved this \_\_\_\_\_ day of May, 2021.

\_\_\_\_\_  
Mayor Tim O'Connor

Attest \_\_\_\_\_  
Tracey Jensen, City Clerk

## **CITY OF CRAIG MEMORANDUM**

To: Mayor and City Council  
From: Brian Templin, City Planner  
Date: May 13, 2021  
RE: Ordinance 735, Rezoning Tract F, USS 1429 – Second Reading and Consideration

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Shaan Seet applied to the Craig Planning Commission to rezone Tract F, USS 1429 from its current commercial zone to residential – high density 1. The property is located at Main and 4<sup>th</sup> street and currently has a commercial building being used for storage on the lot.

In 2013 Shaan Seet rezoned the adjacent Tract E from commercial to residential but did not rezone Tract F at that time. The intent of the rezone is to allow construction of a duplex on Tract F. Shaan Seet also plans to construct two duplexes on Tract E. The Craig Planning Commission recently approved a preliminary plat subdividing Tract E into two lots. Both of the Tract E lots and Tract F are large enough for the proposed duplexes.

Residential – High Density-1 zoning allows primarily for residential uses up to four-plexes as permitted uses and apartment buildings (five units or more) as a conditional use.

Since rezoning requires a change to the city’s zoning maps and the comprehensive plan, the planning commission provides a recommendation but ultimately the city council is responsible for considering approval of an ordinance making the zoning change. The Planning Commission has recommended that the city council approve this rezoning. The proposed lot meets the lot size and dimensions required for this zone. The subdivision and rezone will create six residential lots.

Shaan Seet proposes to make the rezone effective January 1, 2022 to allow time to remove the existing commercial structure.

The council passed first reading of the ordinance at the May 6, 2021 meeting.

Recommendation: Approve Ordinance 735.

**CITY OF CRAIG  
ORDINANCE No. 735**

REZONING TRACT F, USS 1429, FROM COMMERCIAL TO RESIDENTIAL – HIGH DENSITY-I ZONING

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CRAIG, ALASKA:

Section 1. Classification. This is a non-code ordinance.

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

Section 3. Effective Date. This ordinance shall be effective January 1, 2022.

Section 4. Action. This ordinance amends the official zoning map by rezoning Tract f, USS 1429, shown on Plat 77-8, Ketchikan Recording District from Comercial to Residential – High Density-I Zoning.

PASSED AND APPROVED ON \_\_\_\_\_, 2021

\_\_\_\_\_  
MAYOR TIM O’CONNOR

ATTEST \_\_\_\_\_  
TRACEY JENSEN, CITY CLERK

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 13, 2021  
RE: Resolution 21-10: Request for Council Approval of Sales Tax-Free Day

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Attached you will find a resolution authorizing a sales tax-free day. Also attached is an e-mail from the Prince of Wales Chamber of Commerce requesting that the council authorize the sales tax-free day.

Section 3.08.020.E.25 of the City of Craig Municipal Code provides for the city council to authorize, by resolution, a day where sales normally subject to the city's sales tax are exempt from the tax. The attached resolution provides for the sales tax-free day on Saturday, November 27, 2021. The attached resolution also sets out conditions for tax exempt sales on November 27.

The council has authorized a sales tax-free day on a number of occasions in prior years in response to requests from merchants or the island's chamber. If the council approves the attached resolution, city staff will work to promulgate the conditions of the event to local merchants.

**Recommendation**

Approve Resolution 21-10.

**Jon Bolling**

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**From:** Info AT POW Chamber <info@princeofwalescoc.org>  
**Sent:** Monday, May 10, 2021 10:25 AM  
**To:** administrator@craigak.com  
**Subject:** Craig Tax-Free Day Proposal

Good morning Jon

The Prince of Wales Chamber of Commerce would like to petition the City of Craig Council to have Saturday, November 27th, 2021, as this year's Tax-Free Day.

Saturday, Nov 27th, happens to be our National Small Business Saturday Day and we're always looking for ways to promote Shopping Local and this would be another way to encourage people to do just that; I don't know if Bazaar Vendors pay sales tax or not but Nov 27th is Craig's Christmas Bazaar Day AND POW Chamber's annual Raffle Day.

Thank you so much for considering our request.

Wendy Hamilton

--

**Wendy Hamilton**

**POW Chamber manager**

**Phone 907-755-2626**

Submit your [Google Review](#)

Subscribe to [POW Chamber Updates](#)

[www.princeofwalescoc.org](http://www.princeofwalescoc.org)

**CITY OF CRAIG  
RESOLUTION NO. 21-10  
DESIGNATING NOVEMBER 27, 2021 AS SALES TAX FREE DAY**

**WHEREAS**, Section 3.08.020.E.25 of the City of Craig Municipal Code provides for a sales tax free day; and

**WHEREAS**, the Prince of Wales Chamber of Commerce has made a written request to the city council that Saturday, November 27 be designated as the 2021 sales tax free day; and,

**WHEREAS**, Sales Tax Free Day will benefit the Craig residents and other Island shoppers, and provide local merchants a marketing opportunity.

**NOW THEREFORE BE IT RESOLVED** that Saturday November 27 be established as tax-free day for 2021 during normal business hours, subject to the following conditions:

- 1) The promotion does not include the payment of rents and leases.
- 2) All sales made on the tax-exempt day must be recorded like any other exempt sale, and the record from that day submitted with the businesses quarterly sales tax return.
- 3) Sales are limited to stock on hand items only.
- 4) Participation in the promotion by local merchants is voluntary.

APPROVED \_\_\_\_\_, 2021.

\_\_\_\_\_  
MAYOR TIM O'CONNOR

ATTEST \_\_\_\_\_  
TRACEY JENSEN, CITY CLERK

## **CITY OF CRAIG MEMORANDUM**

To: Craig Planning Commission  
From: Brian Templin, City Planner  
Date: May 13, 2021  
RE: Resolution 21-11, Supporting the Port St. Nicholas Road Paving and Waterline Replacement Project

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One of the projects recently submitted to Congressman Young and Senator Murkowski's offices was a request for \$6,000,000 to fund additional paving on the PSN Road and replacement of approximately two miles of water transmission line in the road corridor between the road to the city dam and the water treatment plant.

This project, along with the Craig Harbor Project have been identified as priorities by Congressman Young in his appropriations requests.

The harbor project has several backup documents showing council and public support. The attached resolution provides additional backup and support for the PSN Road and Waterline Replacement project.

Recommendation: Approve Resolution 21-11



**CITY OF CRAIG  
RESOLUTION 21-11  
SUPPORTING THE PORT ST. NICHOLAS ROAD PAVING AND  
WATERLINE REPLACEMENT**

WHEREAS, the City of Craig owns the Port St. Nicholas Road right-of-way and facilities as shown on the ANCSA Reconveyance Plat completed in 1995; and,

WHEREAS, the Port St. Nicholas Road is the only road access for the City of Craig water treatment plant and the city's drinking water source ; and,

WHEREAS, the city uses the Port St. Nicholas Road corridor for both treated and raw water transmission lines from the raw water source to the treatment plant and from the treatment plant to the city's distribution system; and,

WHEREAS, the city and the Craig Tribal Association completed design for upgrades to the road, including paving in 2008; and,

WHEREAS, the Craig Tribal Association and the City of Craig have completed pavement on approximately 3.5 miles of the 5.3 mile road section; and,

WHEREAS, approximately two miles of raw water transmission line is located within the road corridor and is in critical need of replacement due to age and deterioration; and,

WHEREAS, this construction project will help ensure adequate access through the existing subdivision and to critical drinking water infrastructure owned by the city (water treatment, drinking water source, and water transmission/distribution lines).

NOW, THEREFORE, BE IT RESOLVED that the City of Craig fully supports the project PORT ST. NICHOLAS ROAD PAVING AND WATERLINE REPLACEMENT.

APPROVED: May 20, 2021.

\_\_\_\_\_  
Tim O'Connor, Mayor

ATTEST \_\_\_\_\_

Tracey Jensen, City Clerk

## CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: May 14, 2021  
RE: Consider Change to COVID-19 Protocols

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Earlier this week the US Center for Disease Control and Prevention issued new guidance that provides for fully vaccinated people to, in most settings, resume activities without the need to wear a mask. The CDC website states, in part:

*If you've been fully vaccinated:*

- *You can resume activities that you did prior to the pandemic.*
- *You can resume activities without wearing a mask or staying 6 feet apart, except where required by federal, state, local, tribal, or territorial laws, rules, and regulations, including local business and workplace guidance.*
- *If you [travel in the United States](#), you do not need to get tested before or after travel or self-quarantine after travel.*
- *You need to pay close attention to [the situation at your international destination](#) before traveling outside the United States.*
  - *You do NOT need to get tested **before** leaving the United States unless your destination requires it.*
  - *You still need to [show a negative test result](#) or documentation of recovery from COVID-19 **before** boarding an international flight to the United States.*
  - *You should still get tested 3-5 days **after** international travel.*
  - *You do NOT need to self-quarantine **after** arriving in the United States.*
- *If you've been around someone who has COVID-19, you do not need to stay away from others or get tested unless you have symptoms.*
  - *However, if you live or work in a correctional or detention facility or a homeless shelter and are around someone who has COVID-19, you should still get tested, even if you don't have symptoms.*

Our practice at several city facilities, including the library, City Gym, Recreation Center, and to some extent, the Craig Aquatic Center and City Hall, is to ask the public to wear masks upon entry.

The city council should provide direction to staff on this policy in view of the new CDC guidance, while keeping in mind the recent spike in virus cases on POW Island over the past month. City council direction should include whether to maintain our current practices, revise the practice to incorporate the new CDC guidance for vaccinated individuals, and include direction on how to implement any new practice as to masking without staff necessarily knowing who among the general public is vaccinated, and who is not.

### **Recommendation**

Provide direction to staff as to COVID-19 masking protocols at city facilities.