

**CITY OF CRAIG  
ORDINANCE No. 748**

AMENDING SECTION 10.04 OF THE CRAIG MUNICIPAL CODE, ADDING SECTION 3.08.010 AND 3.08.020 ESTABLISHING A CAP ON SALES TAX COLLECTED ON FUEL

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 September 1, 2022.

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

**WHEREAS**, on January 1, 2022, fuel costs for vehicle, equipment, and heating fuel were approximately \$4.00 per gallon; and

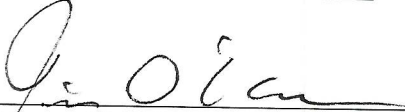
**WHEREAS**, as of July 10, 2022 fuel prices are between \$5.75 and \$6.50 per gallon depending on type of fuel; and

**WHEREAS**, the Craig City Council wishes to provide relief to consumers for high fuel prices; and

**WHEREAS**, the City of Craig is choosing to adopt an ordinance providing for the definition of "fuel" in this context and placing a cap on the amount of sales tax collected per gallon.

Section 5. Action. This ordinance adds Section 3.08.010 and 3.08.020 to the Craig Municipal Code as detailed in Attachment A.

Passed and approved this 8 day of September 2022.

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

Attest   
\_\_\_\_\_  
Heather Mendonsa, City Clerk



**ORDINANCE No. 748  
ATTACHMENT A**

Title 3 of the Craig Municipal Code is hereby amended by adopting a new definition for “Fuel” in Section 3.08.010 and adding a cap on sales tax collected on fuel in Section 3.08.020 to read as follows:

**3.08.010 Definitions**

“Fuel”, for purposes of this section, means fuel (refined gasoline, diesel fuel, and propane) that is subject to Craig sales tax. This does not include other products; pre-packaged fuel sold in cans or other containers; or any other types of fuel charges.

**3.08.020 Levy of Sales Tax – rate**

B.1. Sales of fuel shall be taxed at a rate set by resolution by the Craig City Council, not to exceed 5%. This provision is effective until June 30, 2023.