

**CITY OF CRAIG  
ORDINANCE No. 697**

**ADDING TO TITLE 3, REVENUE AND FINANCE, CHAPTER 3.26,  
ADMINISTRATION, COLLECTION AND REPORTING OF THE  
TRANSIENT OCCUPANCY TAX AND PROVIDING FOR A BALLOT QUESTION  
RATIFYING THE LEVY OF THE TAX AND THE RATE OF LEVY**

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Craig Municipal Code (CMC).

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. (a) Section 4 of this ordinance amending CMC 3.2.010 Definitions; and CMC 3.08.020.B Imposition of rate, shall become effective on January 1, 2018, if the proposition required by Section 5 of this ordinance is approved by a majority of the qualified voters of the City voting on the proposition at the regular municipal election scheduled for October 4, 2016.  
(b) Section 5 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City of Craig, shall be effective immediately upon adoption of this ordinance.

Section 4. Action. (a) Section 3.09 of the CMC is amended by adding a new section to read:

**Chapter 3.09 - TRANSIENT ROOM TAX**

**Sections:**

3.09.010 - Definitions.

3.09.020 - Levied.

3.09.030 - Rate.

3.09.040 - Exemptions.

3.09.050 - Collection and accrual.

**3.09.010 - Definitions.**

For purposes of this chapter the following words shall have the meanings ascribed to them.

- A. "Guest" means an individual, corporation, partnership, or association paying monetary or other consideration for the use of a sleeping room or rooms in a hotel. This is specifically intended to include any guest who has overnight accommodations as part of a combined-price package.
- B. "Hotel" means a structure or portion of a structure which is occupied or intended and designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any residence, hotel, motel, inn, lodge, cabin or bed and breakfast.
- C. "Rent" or "rents" means the amount paid or promised, in terms of money, as consideration for the use by a transient of a room or rooms in a hotel; it does not include the cost of food or entertainment, nor does it include the cost of banquet or other facilities not intended for use as overnight accommodations.

- D. "Transient" means a person who occupies a suite, room or rooms in a hotel for fewer than thirty consecutive days. An employee who occupies a suite, room or rooms rented or leased by an employer for more than thirty days, for use on a rotating basis by employees, is not a transient.

**3.09.020 - Levied.**

There is hereby levied a tax on hotel room rentals to transients.

**3.09.030 - Rate.**

- A. The rate of the transient room tax is established at five dollars per day.  
B. This tax shall be in addition to the general sales tax. This tax shall not be levied on the sales tax portion of the rental bill. Neither shall the general sales tax be levied on this transient room tax.

**3.09.040 - Exemptions.**

- A. No tax shall be imposed where the rental is
1. less than five dollars per day;
  2. made to an organization that is exempt from taxation by law of the State of Alaska or the United States.

**3.09.050 - Collection and accrual.**

- A. Every hotel operator renting rooms subject to taxation under this chapter shall collect the taxes imposed by this chapter from the transient guest at the time of collection of charge for the room, or for the combined-price package if applicable, and shall transmit the same, with appropriate form provided by the finance director, to the city. The tax imposed shall be shown on the billing to the guest as a separate and distinct item.  
B. This tax accrues each day of occupancy and shall be paid by the hotel operator to the city with the operator's quarterly sales tax filing, and shall be delinquent unless so paid.  
C. Each transient guest is responsible for the room rental tax imposed by this chapter and the tax shall be due and payable to the hotel operator at the time the rent is paid.  
D. All other means of enforcement and collection of this tax not addressed in this section shall be according to the provisions of the city's sales tax code at Section 3.08.

Section 5. Election. At the regular election to be held on October 3, 2017, the following question shall be placed before the qualified voters of the City of Craig:

PROPOSITION NO. \_\_

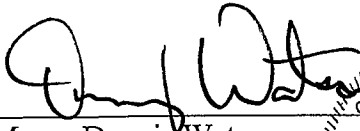
TRANSIENT OCCUPANCY TAX

Shall the City of Craig, Alaska levy and collect a tax equal to five dollars per day for occupied hotel rooms?


YES [ ]

NO [ ]

Passed and approved on Aug 3, 2017.

  
\_\_\_\_\_  
Mayor Dennis Watson



Attest   
\_\_\_\_\_  
Kassi Mackie, City Clerk