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By: Van Lawrence
Kathryn Dodge
Christopher Quist
Introduced: 03/10/2016
Advanced: 03/10/2016
Substituted: 03/24/2016
Amended: 03/24/2016
Adopted: 03/24/2016
Amended by Ordinance
No. 2016-31: 06/23/2016

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2016-16

AN ORDINANCE ENACTING A RETAIL AREAWIDE SALES TAX ON MARIJUANA AND MARIJUANA PRODUCTS AND PROVIDING FOR A BALLOT QUESTION RATIFYING THE LEVY OF THE TAX AND THE RATE OF LEVY

WHEREAS, A sales tax or an increase in the rate of levy of a sales tax must be approved by the voters; and

WHEREAS, Alaska Statute 17.38 was amended by Ballot Measure 2, An Act to Tax and Regulate the Production, Sale and Use of Marijuana, and provided for legal retail sales of marijuana and marijuana products in Alaska; and

WHEREAS, Retail sales of marijuana and marijuana products will begin sometime in 2016; and

WHEREAS, Because the borough’s revenue tax cap limits the total amount of all tax revenue, proceeds from a marijuana and marijuana product sales tax would fall under and be subject to that revenue cap; and

WHEREAS, It is this Assembly’s intention that the net marijuana and marijuana product sales tax revenue would be utilized to reduce the property tax mill rate; and

WHEREAS, State laws require the borough to collect taxes levied by the city; and

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

42 WHEREAS, Exempting sales within the cities avoids double taxation and
43 provides a more uniform rate throughout the borough but it results in a taxation system
44 that provides no revenue to the borough from city sales; and

45
46 WHEREAS, A ballot question that includes an authorization to increase
47 the levy by 1%, from 5% to 6%, provides the Borough the flexibility to increase the tax;
48 and

49
50 WHEREAS, Limiting the exemption for sales in the City of North Pole and
51 the City of Fairbanks to 5% will allow the borough to ensure that 1% can be used to
52 defray collection costs.

53
54 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
55 North Star Borough:

56
57 Section 1. Section 3 of this ordinance is of a general and permanent
58 nature and shall be codified.

59
60 Section 2. Election. At the regular election to be held on October 4, 2016,
61 the following question shall be placed before the qualified voters of the borough:

62
63 “Shall the Fairbanks North Star Borough (1) levy an areawide 5% tax on the retail
64 sale of marijuana and marijuana products, (2) establish a limited exemption up to 6[5]%
65 for marijuana and marijuana products sales taxed by the City of Fairbanks and the City
66 of North Pole, and (3) have the authority to increase the rate of levy by 1%?”

67
68 Section 3. FNSBC Title 3 is amended to add a new chapter, to read as
69 follows:

70
71 Chapter 3.56 Marijuana and Marijuana Products Sales Tax

72
73 3.56.010 Areawide Sales Tax Levy. There is hereby levied a tax, equal to 5% of
74 the sales price, upon buyers of all retail sales of marijuana and marijuana products
75 made within the Fairbanks North Star Borough. This tax is imposed on all retail sales of
76 marijuana and marijuana products unless the sale is specifically exempted herein or by
77 other applicable law.

78
79 3.56.020 Exemptions. Sales within the City of Fairbanks and the City of North
80 Pole are partially exempt from the borough tax by the amount of sales tax the city
81 separately levies on the same item up to 5% of the sales price.

82
83 3.56.030 Definition.

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84 “Marijuana” means all parts of the plant (genus) Cannabis, whether growing or
85 not, the seed thereof, the resin extracted from any part of the plant, and any compound,
86 manufacture, derivative, mixture, or preparation of the plant, its seeds, or its resin,
87 including marijuana concentrate; marijuana does not include fiber produced from the
88 stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is
89 incapable of germination, or the weight of any other ingredient combined with marijuana
90 to prepare topical or oral administrations, food, drink, or other products.

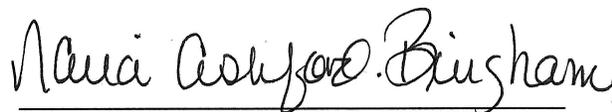
91 “Marijuana Products” means concentrated marijuana products and marijuana
92 products that are comprised of marijuana and other ingredients and are intended for use
93 or consumption, such as, but not limited to, edible products, ointments, and tinctures.

94
95 Section 4. Effective date. Section 2 of this ordinance shall be effective at
96 5:00 p.m. on the first Borough business day following its adoption. Section 3 of this
97 ordinance shall become effective on January 1, 2017, if a majority of the qualified voters
98 voting on the question called for in Section 2 have cast their votes in favor of the
99 question.

100 PASSED AND APPROVED THIS 24th DAY OF MARCH, 2016 AND
101 AMENDED BY ORDINANCE NO. 2016-31, ADOPTED ON JUNE 23, 2016.

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108 
109 John Davies
110 Presiding Officer

111 ATTEST:

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113 
114

115 Nanci Ashford-Bingham, MMC
116 Borough Clerk
117

118
119 Adopted on March 24, 2016:

120 Yeses: Sattley, Hutchison, Cooper, Lawrence, Dodge, Quist, Davies

121 Noes: None

122 Excused: Roberts, Westlind
123

124 Amended on June 23, 2016

125 Yeses: Sattley, Hutchison, Cooper, Quist, Lawrence, Westlind, Roberts, Dodge, Davies

126 Noes: None

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED, CAPITALIZED]

1 By: Christopher Quist
2 Van Lawrence
3 Introduced: 06/09/2016
4 Advanced: 06/09/2016
5 Adopted: 06/23/2016
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7

8 FAIRBANKS NORTH STAR BOROUGH

9
10 ORDINANCE NO. 2016 - 31

11 AN ORDINANCE AMENDING ORDINANCE 2016-16 REGARDING THE BALLOT
12 QUESTION LANGUAGE TO INCREASE BY 1% THE AUTHORIZED EXEMPTION
13 FOR MARIJUANA AND MARIJUANA PRODUCTS SALES TAXED BY THE CITIES
14
15

16 WHEREAS, The assembly recently adopted an ordinance providing for a
17 ballot question that asks voters to provide the authority to increase the authorized rate
18 of levy on the areawide sales tax on alcoholic beverages and the authorized limited
19 exemption for sales within the cities of Fairbanks and North Pole from 5 to 6%; and
20

21 WHEREAS, It is the intent of this assembly that the ballot questions for
22 marijuana and alcohol request similar taxing and exemption authority.
23

24 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
25 North Star Borough:
26

27 Section 1. This ordinance is not of a general and permanent nature and
28 shall not be codified.
29

30 Section 2. Amend Section 2 of Ordinance No. 2016-16 as follows:
31

32 At the regular election to be held on October 4, 2016, the following question shall
33 be placed before the qualified voters of the borough:
34

35 "Shall the Fairbanks North Star Borough (1) levy an areawide 5% tax on the retail
36 sale of marijuana and marijuana products, (2) establish a limited exemption up to 6[5]%
37 for marijuana and marijuana products sales taxed by the City of Fairbanks and the City
38 of North Pole, and (3) have the authority to increase the rate of levy by 1%?"
39

40 Section 3. Effective Date. This ordinance shall be effective at 5:00 p.m.
41 of the first Borough business day following its adoption.
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Text to be *deleted* is [BRACKETED AND CAPITALIZED]

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PASSED AND APPROVED THIS 23RD DAY OF JUNE, 2016.


John Davies
Presiding Officer

ATTEST:


Nanci Ashford-Bingham, MMC
Borough Clerk

Yeses: Sattley, Hutchison, Cooper, Quist, Lawrence, Westlind, Roberts, Dodge, Davies
Noes: None

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Text to be *deleted* is [BRACKETED AND CAPITALIZED]