

1 By: Christopher Quist
2 Introduced: 04/14/2016
3 Advanced: 04/14/2016
4 Amended: 04/28/2016
5 Adopted: 04/28/2016
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8 FAIRBANKS NORTH STAR BOROUGH

9
10 ORDINANCE NO. 2016-24

11 AN ORDINANCE PROVIDING FOR A BALLOT QUESTION AND TO AMEND THE
12 FAIRBANKS NORTH STAR BOROUGH CODE OF ORDINANCES RELATING TO
13 ALCOHOLIC BEVERAGE TAX
14

15
16 WHEREAS, A sales tax or increase in the rate of levy of a sales tax must
17 be approved by the voters; and
18

19 WHEREAS, Alaska Statute 17.38 was amended by Ballot Measure 2, An
20 Act to Tax and Regulate the Production, Sale and Use of Marijuana, and provided for
21 legal retail sales of marijuana and marijuana products in Alaska; and
22

23 WHEREAS, Ordinance No. 2016-16 authorized a proposed ballot question
24 for the October 4, 2016 election to provide for a marijuana and marijuana product sales
25 tax; and
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27 WHEREAS, It is the intent of this assembly to tax marijuana like alcohol;
28 and
29

30 WHEREAS, Marijuana and alcohol should therefore be subject to the
31 same rate of levy of a sales tax; and
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33 WHEREAS, The proposed ballot question on marijuana and marijuana
34 product sales tax, if passed, will levy an areawide 5% tax on the retail sale of marijuana
35 and marijuana products with a limited exemption up to 5% for marijuana and marijuana
36 products sales taxed by the City of Fairbanks and the City of North Pole, and provides
37 the Borough with authority to increase the rate of levy by 1%; and
38

39 WHEREAS, Sales taxes serve to diversify revenue, establishing revenue
40 sources other than property tax; and
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42 WHEREAS, An increase in the alcoholic beverage sales tax should only
43 become effective if a marijuana and marijuana product sales tax is enacted.

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

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

44
45 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
46 North Star Borough:

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48 Section 1. Section 3 of this ordinance is of a general and permanent
49 nature and shall be codified.

50
51 Section 2. Election. At the regular election to be held on October 4, 2016,
52 the following question shall be placed before the qualified voters of the borough:

53
54 “Shall the Fairbanks North Star Borough have the authority to increase the
55 rate of levy of the areawide 5% sales tax of alcoholic beverages by 1%,
56 with a limited exemption up to 6% for alcoholic beverages taxed by the city
57 of Fairbanks and the city of North Pole?”

58
59 Section 3. FNSBC 3.59.040 is amended to read as follows:
60 The following sales are exempt from the collection of the alcoholic beverage tax:

61
62 A. Retail sales within the city of Fairbanks and the city of North Pole up to a total tax
63 amount of five percent of the sales price from the borough tax or the amount the city
64 separately levies a sales tax on the same item, whichever is less, [ONLY TO THE
65 EXTENT THAT SUCH RETAIL SALES ARE TAXED BY ANY OTHER MUNICIPALITY
66 WITHIN THE BOROUGH,] subject to the following limitations:

67 1. The borough does not intend to act as a collection agent for city taxes on
68 retail sales.

69 2. If any municipality within the borough imposes a city tax on retail sales
70 exceeding the tax imposed by the borough, neither the seller nor the buyer is entitled to
71 a refund from the borough from such retail sales.

72 [3. IF ANY MUNICIPALITY WITHIN THE BOROUGH DOES NOT IMPOSE A
73 CITY TAX ON ANY RETAIL SALES, IMPOSES A CITY TAX ONLY ON CERTAIN
74 RETAIL SALES, OR IMPOSES A CITY TAX ON RETAIL SALES THAT IS LESS THAN
75 FIVE PERCENT TIMES THE SELLING PRICE, THE SELLER SHALL:

76 A. COLLECT A TAX EQUAL TO FIVE PERCENT TIMES THE SELLING PRICE
77 MINUS ANY CITY TAX IMPOSED BY SUCH MUNICIPALITY ON THAT SAME RETAIL
78 SALE; AND

79 B. REMIT THIS TAX TO THE BOROUGH IN ACCORDANCE WITH THE
80 REQUIREMENTS OF THIS CHAPTER.]

81 B. Any wholesale sale (sale for resale) of alcoholic beverages by a bona fide
82 alcoholic beverage distributor.

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

84 Section 4. Effective date. Section 2 of this ordinance shall be effective at
85 5:00 p.m. on the first Borough business day following its adoption. Section 3 of this
86 ordinance shall become effective on January 1, 2017, if a majority of the qualified voters
87 voting on the question called for in Section 2 and a majority of the qualified voters voting
88 on the question called for in Ordinance No. 2016-16 have cast their votes in favor of the
89 questions.

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PASSED AND APPROVED THIS 28TH DAY OF APRIL, 2016.


John Davies
Presiding Officer

ATTEST:


Nanci Ashford-Bingham, MMC
Borough Clerk

Ayes: Sattley, Hutchison, Cooper, Roberts, Lawrence, Dodge, Quist, Davies
Noes: Westlind

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