



CITY COUNCIL SPECIAL MEETING

Thursday, April 21, 2022 at 7:00 PM

AGENDA

In compliance with the Americans with Disabilities Act, individuals needing special accommodations / during this meeting should notify the City of Dillingham at 907-842-5212 at least three working days before the meeting.

MEETING INFORMATION

CITY COUNCIL SPECIAL MEETING CITY HALL COUNCIL CHAMBERS / 7:00 p.m.

Limited Seating Available

141 Main Street, Dillingham, AK 99576 (907) 842-5212

This meeting will also be available at the following online location:

<https://us02web.zoom.us/j/89746675578?pwd=WE4rWXRiV216N2VIWXdpdC8yNGJtZz09>

Meeting ID: 897 4667 5578; participant #, passcode: 385044

Or dial (346) 248-7799, or (669) 900-6833

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

SPECIAL BUSINESS

1. Adopt Resolution 2022-16(A); A Resolution of the Dillingham City Council Establishing the Level of Funding for the Dillingham City School District for the Fiscal Year Ending June 30, 2023
2. Adopt Ordinance 2022-03(A); An Ordinance of the Dillingham City Council Amending Title 4 of the Dillingham Municipal Code to Adopt an Excise Tax on Importation of Marijuana

COUNCIL COMMENTS

MAYOR'S COMMENTS

ADJOURNMENT



Council Meeting – Special
Meeting Date: April 21, 2022
Submitted By: Finance & Budget Committee

Agenda Item: 1

Information

TITLE

Resolution 2022-16(A); A Resolution Of The Dillingham City Council Establishing The Level Of Funding For The Dillingham City School District For The Fiscal Year Ending June 30, 2023

RECOMMENDED ACTION

I move to Adopt Resolution 2022-16(A).

SUMMARY OF ISSUE

This is an annual appropriation. After receiving the annual budget request from the School District the City of Dillingham has thirty days to respond. The Finance & Budget Committee met on April 18, 2022 and based on the projected city budget has recommended the amounts listed in this resolution.

Mayor
Alice Ruby

City Manager
Robert J. Mawson



Dillingham City Council
Chris Napoli
Michael Bennett
Aksel Buholm
Curt Armstrong
Kaleb Westfall
Perry Abrams

MEMORANDUM

Date: 21 April 2022
To: Honorable Mayor and City Council
From: Robert J Mawson,  City Manager
Subject: Dillingham City School District – Appropriation Request (Resolution 2022-16)

During Monday evening’s Finance & Budget Committee meeting discussion, I was asked to speak with Dr. Jason Johnson, Superintendent of the Dillingham City School District, to determine the potential ramifications of approving Resolution 2022-16 at a funding level of \$1,078,688 rather than the full requested amount of \$1,300,000.

This action would be taken with the understanding that after the City of Dillingham had finalized their own budget process, the Council would consider a supplemental appropriation of \$221,312 to bring the total allocation to the \$1,300,000, as originally requested.

Yesterday afternoon (by phone) and again this morning (in person), Dr. Johnson and I discussed the request of the Finance & Budget Committee.

We determined the following:

- For every \$100,000 reduction in local funding support, the School District would see an additional reduction, in State Impact Aid, of approximately \$56,269 dollars.

This means for each \$100,000 reduction in local funding support, the School District’s budget would have to be reduced by \$156,269. Taking the entire \$221,312 reduction in to account, the School District would have to accommodate a negative budget impact of approximately \$345,666 for next fiscal year.

In reviewing next fiscal year’s budget for the School District, specifically the “Expenditures by Function” section (*attached*), and taking into account the potential \$345,666 reduction, I made some observations:

1. The potential reduction is approximately 10% of the entire Regular Instruction budget.
2. The potential reduction is approximately 30% of the entire Special Education budget.
3. The potential reduction is approximately 86% of the entire Student Activities budget.

There are many other comparisons that can be made, but suffice to say, the proposed reduction would have major impacts to the School District's ability to offer the students in our community the educational benefits currently planned for FY2023.

Therefore, I am recommending that the Council consider approving the entire School District request of \$1,300,000 so they can take advantage of the additional impact aid provided through the State of Alaska and meet their goals and objectives for the next school year.

I am confident that we (the City) can accommodate the request in our own FY2023 budget, without jeopardizing our primary goals and objectives.

Resolution 2022-16(A), re-incorporating the \$221,312, is included with this memorandum for your consideration.

I remain available for any questions you may have.

DILLINGHAM CITY SCHOOL DISTRICT

Expenditures by Function

FY 2023 BUDGET

Function	FY 2022 Final	FY 2023 Proposed	Increase (Decrease)	Percent FY 2023 Total
Instruction:				
100 Regular Instruction	\$ 3,373,767	\$ 3,417,121	43,354	34.34%
130 Gifted & Talented	3,000	3,000	0	0.03%
150 Bilingual/Bicultural	108,031	106,758	(1,273)	1.07%
160 Vocational Instruction	74,949	72,258	(2,691)	0.73%
200 Special Education	914,912	1,195,679	280,767	12.01%
220 Special Ed Support Svcs	211,685	129,838	(81,847)	1.30%
320 Guidance	171,256	188,769	17,513	1.90%
350 Instructional Support	50,000	50,000	0	0.50%
352 Library	163,591	163,554	(37)	1.64%
360 Instructional Related Technology	1,528,854	1,528,854	0	15.36%
Sub Total Instruction	\$ 6,600,045	\$ 6,855,830	255,785	68.89%
400 School Administration	494,187	365,744	(128,443)	3.68%
450 School Admin Support	112,868	129,338	16,470	1.30%
511 School Board	64,035	63,741	(294)	0.64%
512 Superintendent's Office	287,712	260,713	(26,999)	2.62%
550 District Admin Support	134,977	134,977	0	1.36%
551 Business Office	363,032	354,446	(8,586)	3.56%
553 Personnel Office	139,052	141,867	2,815	1.43%
560 Administrative Technology Services	155,892	163,165	7,273	1.64%
605 Maintenance & Operations	1,291,202	1,079,256	(211,946)	10.84%
700 Student Activities	50,000	50,000	0	0.50%
Sub Total Admin/M&O	\$ 3,092,957	\$ 2,743,248	(349,709)	27.56%
900 Transfers				
900..550 Transfer to General Fund	-	-	0	0.00%
900..552 Transfer to Food Services	-	-	0	0.00%
900..554 Transfer to Student Activities	353,000	353,000	0	3.55%
900..554 Transfer to Student Transportation	-	-	0	0.00%
Sub Total Transfers	\$ 353,000	\$ 353,000	0	3.55%
TOTAL GENERAL FUND EXPENSES	\$10,046,002	\$ 9,952,078	(93,924)	100.00%

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2022-16(A)**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ESTABLISHING THE LEVEL OF FUNDING FOR THE DILLINGHAM CITY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

WHEREAS, Alaska Statute 14.14.060(c) provides that the Dillingham School Board (“School Board”) shall submit the school budget for the following year by May 1 for approval of the total amount; and

WHEREAS, the Dillingham City Council (“City Council”) shall determine the total amount of money to be made available from local sources for school purposes within 30 days after the School District presents the budget request to the City; and

WHEREAS, the School Board submitted a proposed FY 2023 Budget of \$9,952,078 which includes a request of \$1,300,000, filed at City Hall on March 29, 2022; and

WHEREAS, the City Council shall determine the total amount of money to be made available from local sources for School purposes and shall furnish the School Board with a statement of this sum on or before April 28, 2022; and

WHEREAS, AS 14.17.410(b)(2) requires a contribution from the City in the amount of the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property as of January 1, 2021, (property values as of January 1 of the second preceding fiscal year from Alaska Taxable Report) which is calculated to be a local contribution in the amount of \$525,981; and

WHEREAS, the City Council wishes to allocate:

- 1) The minimum required amount to meet the City’s legal obligation which is 2.65 mill equivalent to property tax or \$525,981 and
- 2) An additional \$552,707, or one-sixth of the six percent sales tax approved by the Dillingham voters June 19, 2001, of which the intent was to allocate a portion of the six percent to education above that required by state law, subject to an annual appropriation by the City Council; and
- 3) An additional \$221,312 for a **total allocation** to the education operating budget for Fiscal Year ending June 30, 2023, of \$1.3 Million; and

WHEREAS, the actual amount to be appropriated for School District purposes will be made a part of the City’s FY 2023 Budget.

NOW, THEREFORE, BE IT RESOLVED the Dillingham City Council has determined regarding additional funds which may be available to the School District based upon State

funding of local governments and other information made available by this date that the school appropriation be set at \$1,300,000 with a minimum of \$100,000 for major maintenance for FY 2023.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 21, 2022.

Alice Ruby, Mayor

ATTEST: [SEAL]

Lori Goodell, City Clerk



Council Meeting – Special
Meeting Date: April 21, 2022
Introduced, March 5, 2022
Public Hearing, April 7, 2022
Tabled to next meeting, April 7, 2022
Submitted By: Finance & Budget Committee

Agenda Item: 2

Information

TITLE

Ordinance 2022-03(A); An Ordinance Of The Dillingham City Council Amending Title 4 Of The Dillingham Municipal Code To Adopt An Excise Tax On Importation Of Marijuana

RECOMMENDED ACTION

MOTION 1: I move to remove Ordinance 2022-03 from the table.

This brings Ordinance 2022-03 back to the floor under the motion made at the last meeting to adopt.

VOTE

Please note the Ordinance in this packet has had minor amendments for clarification. Deletions are ~~red strikethrough~~, additions are **bold yellow highlight**.

MOTION 2: I move to substitute Ordinance 2022-03(A) for Ordinance 2022-03.

VOTE

MOTION 3: I move to adopt Ordinance 2022-03(A).

VOTE

SUMMARY OF ISSUE

The Council and Management have been monitoring the city budget and revenue streams for many years. The dwindling federal and state allocations continue to have a negative impact on the City's finances. Council assigned the Finance & Budget Committee to research new revenue streams. Both marijuana establishments were contacted during the development of the ordinance. Management supports the adoption of this ordinance.

The City Attorney has reviewed the amended ordinance.

CODE ORDINANCE

Requested by: Finance Committee
Introduced: March 5, 2022
Public Hearing: April 7, 2022
Adopted: April 21, 2022

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2022-03

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING TITLE 4 OF THE DILLINGHAM MUNICIPAL CODE TO ADOPT AN EXCISE TAX ON IMPORTATION OF MARIJUANA

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a code ordinance.

Section 2. Amendment of Title 4. Title 4 of the Dillingham Municipal Code is hereby amended by adding a new Chapter 4.26 to read as follows:

Chapter 4.26

EXCISE TAX ON MARIJUANA

Sections:

- 4.26.010 Definitions.**
- 4.26.020 Tax on all Marijuana.**
- 4.26.030 Intent and purpose of chapter and taxpayer.**
- 4.26.040 Exemptions.**
- 4.26.050 Registration required to acquire Marijuana exempt of tax for resale outside the city—Eligibility of applicant.**
- 4.26.060 Expiration and renewal of registration.**
- 4.26.070 Suspension or revocation of registration.**
- 4.26.080 License required for dealers in Marijuana —Issuance.**
- 4.26.090 License fee.**
- 4.26.100 Expiration and renewal of licenses.**
- 4.26.110 Transfer of license.**
- 4.26.120 Refund of tax or license fee.**
- 4.26.130 Display of license—Surrender of license—Suspension or revocation of license.**

- 4.26.140 Tax returns.**
- 4.26.150 Involuntary returns.**
- 4.26.160 Amended tax returns.**
- 4.26.170 Application of payments.**
- 4.26.180 Prohibited acts and penalties.**
- 4.26.190 Tax lien.**
- 4.26.200 Interest on unpaid tax.**
- 4.26.210 Taxpayer, licensee, or other person remedies.**
- 4.26.220 Inspection and maintenance of documents and records.**
- 4.26.230 Administrative regulations.**
- 4.26.240 Confidentiality of records.**

4.26.010 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

“Brought into or acquired” includes all manners, ways, and modes of bringing into or obtaining Marijuana in the city.

“Buyer” means a person who brings into or acquires in the city any Marijuana for his own consumption.

“Department” means the city finance department.

“Distributor” means a person who brings Marijuana or causes Marijuana to be brought into the city, and who sells or distributes them to others for resale.

“Inventory count” means the effective date and details of a count by description, including the trade name and brand, purchase price and total quantity on-hand, of all Marijuana.

“Marijuana” means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate; "marijuana" does not include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products, or industrial hemp as defined in AS 03.05.100 ;

“Person” includes an individual, company, partnership, joint venture, joint agreement, association (mutual or otherwise), corporation, estate, trust, business trust, receiver or trustee, syndicate, or political subdivision of this state, or combination acting as a unit including individuals who are employees or officers of any such entities who are under a duty to perform an act concerning which

a violation of this chapter could occur. It is the intent of this chapter that such persons be personally liable for unremitted taxes.

“Place of business” means a place where Marijuana is sold, or where they are brought or kept for the purpose of sale or consumption, including a vessel, vehicle, airplane, or train.

“Purchase” means the acquisition of ownership or possession of Marijuana from any source.

“Retail” means a sale to a consumer or to any person for any purpose other than for resale.

“Retailer” means a person who is engaged in the business of selling Marijuana at retail to consumers.

“Sale” includes a sale, barter, exchange, and every other manner of transferring the ownership of personal property.

“Tax” means the Marijuana excise tax assessed pursuant to this chapter.

“Tax return” means the monthly report to be submitted to the department as required by this chapter.

“Wholesale price” means the price paid by a distributor or retailer for Marijuana.

4.26.020 Tax on all Marijuana.

An excise tax of ten (10) percent of the wholesale price is levied on all Marijuana brought into the city. The tax is levied effective May 1, 2022.

4.26.030 Intent and purpose of chapter and taxpayer.

- A. It is the intent and purpose of this chapter to collect the tax from the person who:
 - 1. Brings or causes any Marijuana to be brought into the city;
 - 2. Makes, manufactures, or fabricates any Marijuana in the city;
 - 3. Ships or transports Marijuana into the city; or
 - 4. Commits, or is complicit in, an act of tax evasion resulting in the city being deprived of the tax due under this chapter.
- B. Notwithstanding anything to the contrary contained in this chapter, the taxpayer shall be those persons described in this section and no others.

4.26.040 Exemptions.

- A. Resale Outside the City. Provided all persons otherwise subject to this chapter comply with its requirements, any retailer or distributor who brings Marijuana into the city for resale outside of the city shall be allowed a tax credit based on the wholesale price of the Marijuana.

4.26.050 Registration required to acquire Marijuana exempt of tax for resale outside the city—Eligibility of applicant.

- A. Except as otherwise provided herein, no person may acquire Marijuana in the city exempt of the tax unless that person has registered with the department in accordance with this chapter. No person shall claim any deduction under this chapter unless the Marijuana

for which any deduction is claimed has been sold or transferred to a person registered with the department in accordance with this chapter prior to such sale or transfer.

1. Any person whose principal place of business is located outside the city and who acquires Marijuana in the city for resale outside the city at his or her principal place of business must apply for registration with the department to acquire Marijuana in the city exempt of the tax provided such person has a valid state of Alaska business license with a **qualifying** marijuana license and relevant line of business code or equivalent thereon.

2. A business having more than one location outside the city shall apply with the department to register each separate location that will or does receive a tax-exemption for Marijuana acquired directly from a retailer or distributor in the city.

B. Application for registration to bring , make, ship or transport Marijuana in the city exempt of the tax shall be on a form provided by the department, and shall include the following information and such other information as the department may require:

1. The applicant's name and mailing address;
2. A copy of the applicant's current state of Alaska business license, including a **qualifying** marijuana license and the line of business (LOB) code or equivalent;
3. The business name and location(s) where Marijuana will be sold;
4. The applicant's signature, firmly binding the applicant to an agreement that, in the event the department revokes the applicant's registration in accordance with Section 4.26.070, the applicant will become ineligible to register under this section for a period of two years, beginning with the date of revocation;
5. The applicant's signature confirming that the applicant fully understands the relevant compliance requirements of this chapter;
6. Each signature shall be by a person or agent having such authority to sign and bind the applicant and shall be under penalty of prosecution for unsworn falsification.

C. All persons registered under this section shall maintain compliance with all relevant state of Alaska laws and administrative requirements related to the registered business, including but not necessarily limited to: business license, **qualifying** marijuana license, and any related required periodic reporting.

D. All persons applying for registration under this section shall be current with all financial obligations due to the city.

E. A registration under this section is valid from the date the department approves registration until December 31st that year.

F. The department may refuse to register an applicant if there is reasonable cause to believe that:

1. The applicant has structured its business organization to avoid ineligible status;
2. The applicant has structured its business to avoid payment of amounts due under this chapter; or

3. The applicant is responsible for any act or omission by any person which withholds, misstates or provides false or misleading information required by the department.

G. A person whose registration is revoked becomes ineligible to register under this section for a period of two years, beginning with the date of revocation.

H. A natural person whose acts result in revocation of registration becomes ineligible to register under this section.

I. The department shall maintain and publish a current listing of businesses registered under this section for use by a ~~distributor or~~ retailer to confirm if a person is eligible to purchase Marijuana exempt of the tax imposed by this chapter.

4.26.060 Expiration and renewal of registration.

A. Registration under Section 4.26.050 expires on December 31st. A person, upon application to the department, may, on or before December 31st, renew registration for one calendar year from the expiration date.

1. If there is a change in ownership of the registered business, registration shall automatically expire.

2. If the person who signed the application ceases to have the authority to bind the registered business, then registration shall automatically expire.

3. If the name of the registered business is changed or the registered business is moved to another location, the registration shall automatically expire. Upon application to the department, registration may be renewed without fee for the new name and/or new location of the business for the balance of the twelve-month term of registration.

4. If a person who is ineligible to register under Section 4.26.050 becomes an owner, partner, member, officer, director, or manager of a registered business, registration of that business shall automatically expire.

4.26.070 Suspension or revocation of registration.

The department may suspend or revoke a person’s registration under Section 4.26.050 for any violation of this chapter by the officers, directors, owners, members, or employees of the applicant business.

4.26.080 License required for dealers in Marijuana —Issuance.

A. No person may sell, purchase, possess, or acquire Marijuana in the city as a manufacturer, ~~distributor,~~ **or** retailer, ~~or vending machine operator,~~ without a license issued under this chapter.

B. The department, upon application and payment of the fee, shall issue a license to the applicant. A copy of the applicant’s active state of Alaska business license with a **qualifying** marijuana license is required and must accompany the application. The application must include the following information:

1. The applicant’s name and address;

2. The name under which the Marijuana business will be conducted;
 3. The applicant's Marijuana business categories as a manufacturer, ~~distributor~~, or retailer;
 4. Other information required on the department's application form.
- C. The department may refuse to issue a license if there is reasonable cause to believe that the applicant has willfully withheld information requested to determine the applicant's eligibility to receive a license, or if there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith.
- D. A license required by this chapter is in addition to any other license required by law.
- E. A license issued under this chapter shall include:
1. The name and address of the licensee and name of licensed business;
 2. The type of business to be conducted;
 3. The address at which the business is conducted; and
 4. The year for which the license is issued.

4.26.090 License fee.

For each license issued under this chapter, and for each renewal, the fee is fifty (\$50.00) dollars per calendar year. This license shall be in addition to the regular business license required under Dillingham Municipal Code (DMC).

4.26.100 Expiration and renewal of licenses.

A license issued under this chapter expires on December 31st of each respective year. A licensee, on application to the department accompanied by the renewal fee, may, before the expiration of the license, renew the license for one year from the expiration date of the license. If the licensee moves the business to another location within the city, the licensee shall, upon application to the department, be reissued a license for the new location for the balance of the unexpired term. A person whose license is lost, stolen, or defaced shall immediately file an application with the department for reissuance of the license for the balance of the unexpired term.

4.26.110 Transfer of license.

A license issued under this chapter is not assignable or transferable. However, in the case of death, bankruptcy, receivership or incompetency of the licensee, or if the business of the licensee is transferred to another person by operation of law, the department may in its discretion extend the license for a limited time to the executor, administrator, trustee, or receiver, or the transferee of the licensee.

4.26.120 Refund of tax or license fee.

- A. The department shall not refund the license fee paid pursuant to this chapter upon the surrender or revocation of a license after the beginning of the license year. Upon application, the department may refund a license fee that is paid or collected in error.

- B. If a remittance by a licensee exceeds the amount due, and the department, on audit of the account in question, is satisfied that this is the case, the department shall, upon written request of the licensee, refund the excess to the licensee without interest.
- C. Any claim for refund filed more than one year after the due date of the tax is forever barred.

4.26.130 Display of license—Surrender of license—Suspension or revocation of license.

- A. A license issued under this chapter must be prominently displayed at the licensee's place of business.
- B. A licensee shall surrender a license within ten days after:
 - 1. A revocation of a license;
 - 2. A cessation of business;
 - 3. Change of ownership of; or
 - 4. A change of a place of business.
- C. The department may suspend or revoke a license issued under this chapter:
 - 1. For violation of this chapter or a regulation of the city adopted pursuant to this chapter;
 - 2. If a licensee ceases to act in the capacity for which the license was issued; or
 - 3. If the licensee fails to submit their taxes due in a timely manner as required by code.
- D. No person whose license is suspended or revoked shall bring Marijuana into the city or permit Marijuana to be sold during the period of the suspension or revocation on the premises occupied or controlled by that person. No disciplinary proceeding or action is barred or abated by the expiration, transfer, surrender, renewal, or extension of a license issued under this chapter.

4.26.140 Tax returns.

- A. On or before the last day of each calendar month a licensee shall submit to the department a tax return, upon forms provided by the department, for each license, and submit payment of taxes due for the preceding month.
 - 1. The return shall be signed under penalty of perjury by the licensee or his agent and must include:
 - a. The name and address of the licensee;
 - b. The name and address of the person filing the return, if different from the licensee;
 - c. The number of the license issued under this chapter;
 - d. The name under which the business is being conducted;

- e. The wholesale price of all Marijuana brought into or acquired in the city during the preceding month from any source whatsoever;
- f. The names of persons from whom Marijuana was brought into or acquired in the city during the preceding month from any source whatsoever;
- g. Deductions claimed for any Marijuana, specified in the return in response to subsections (A)(1)(e) and (f) of this section, for which the tax has been paid previously by another person;
- h. The amount of tax due on the wholesale price of nonexempt Marijuana manufactured, brought into or acquired in the city during the preceding month; and
- i. Other information and supporting documentation which may be required by the department with the return.

B. Each licensee shall report all Marijuana sales for which an exemption is claimed as a deduction on its monthly tax return to the department and shall provide a copy of an invoice or other document satisfactory to the department supporting each sale of exempt product.

C. A tax return must be filed even if there were no Marijuana manufactured, brought into or acquired in the city during the preceding month.

D. The taxes imposed under this chapter and the return required by this section must be received by the department or postmarked on or before the last day of each calendar month following the month covered by the return.

4.26.150 Involuntary returns.

If a licensee fails to file a return as required by this chapter, or when the department finds that a return is not supported by the records to be maintained pursuant to this chapter, the department may prepare and file a return on behalf of the licensee. Involuntary returns filed under this section may be premised upon any information that is available to the department, including, among other things, comparative data for similar businesses. A licensee for whom an involuntary return is filed under this section shall be subject to liability for the tax stated in the return, as well as subject to the penalties and interest provided for in this chapter. A return prepared by the department is, prima facie, good and sufficient for all legal purposes. However, nothing prevents the licensee from presenting evidence on an appeal to rebut the presumed sufficiency of a return prepared by the department, nor does the presumption of sufficiency alter the parties' respective burdens of proof once the licensee has presented evidence to rebut that presumption.

4.26.160 Amended tax returns.

A. Any tax return filed hereunder may be amended by the licensee within one year after the due date of the tax return being amended. No amendment by the licensee shall be allowed after this one-year period.

B. Any tax return prepared and filed by the department on behalf of the licensee may be amended by the licensee within one year of the date filed by the department. No amendment by the licensee shall be allowed after this one-year period.

4.26.170 Application of payments.

Any payment submitted to the department for any taxes, penalties, interest, or cost due under any provision of this chapter or any return or any finding or determination by the department under this chapter shall be credited to the monthly tax period for which remitted, first to the payment of costs and then to penalties, interest, and taxes in that order.

4.26.180 Prohibited acts and penalties.

- A. No person may, in violation of or without complying with the provisions of this chapter:
1. Import Marijuana into the city;
 2. Sell, transfer or acquire Marijuana in the city; or
 3. Participate in the importation of Marijuana into the city or in the sale, transfer, or acquisition of Marijuana within the city.
- B. If a person fails to pay the full amount of the tax due and/or file a tax return or report required under this chapter by the due date, a penalty of ten percent of the taxes due shall be assessed.
1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.
 2. The penalties provided for in this section shall be in addition to all other penalties and interest provided for under this chapter.
- C. If a properly filed amended return reduces the total tax liability or the tax required to be paid, or the department reduces the tax liability, the related penalty will be reduced accordingly.
- D. All penalties and remedies enumerated in this chapter are cumulative.

4.26.190 Tax lien.

- A. If any person who is liable to pay a tax or license fee under this chapter neglects or refuses to pay the tax or license fee after demand, the amount, including interest, additional amounts, or assessable penalty together with costs, is a lien in favor of the city upon all property and rights to property, real or personal, belonging to that person.
- B. A notice of lien for amounts described in this section may be recorded in the office of the district recorder, Bristol Bay Recording District, Third Judicial District and in the State Recorder's Office UCC Central File System; however, failure to so record said interests shall not be construed as a waiver or abrogation of any and all priorities, rights and interests of the city at law and in equity. Upon full satisfaction of payment of all charges, interest, penalties and costs due and owing to the city, the city shall file a certificate discharging the lien.
- C. In an action to enforce a lien, the court shall allow as part of the costs all money paid for drawing the lien and for filing and recording the lien claim, and a reasonable attorney fee for the foreclosure of the lien.

4.26.200 Interest on unpaid tax.

In addition to any penalties imposed by this chapter, interest at the rate of six percent per annum shall be charged on the unpaid balance of delinquent taxes.

4.26.210 Taxpayer, licensee, or other person remedies.

Any person aggrieved by any action of the department in issuing, suspending, revoking, or refusing to issue any license or registration for exemption under this chapter or in fixing the amount of taxes, penalties, interest, or costs under this chapter should provide written protest notice to the department. The city will rule on each protest within thirty days of receipt of the notice by the city.

4.26.220 Inspection and maintenance of documents and records.

A. Every person subject to this chapter shall keep a complete and accurate record of all Marijuana manufactured, purchased, sold, brought into, transported outside of for the purpose of sale, or acquired in the city by such person.

1. Except in the case of a manufacturer, the records shall include a statement containing the name and address of the person from whom Marijuana was purchased or acquired, the date of delivery, the quantity of Marijuana, the trade name and brand, and the price paid for the Marijuana purchased.

2. Each invoice or other documentation of the sale of Marijuana within the city shall state whether the tax imposed under this chapter has been paid.

3. Persons subject to this chapter shall keep such other documents and records as the department prescribes.

4. All documents and records required by this section shall be preserved by persons subject to this chapter for three years. All records and documents required by this chapter to be kept or retained are subject to inspection within the city upon demand by the department.

B. A licensee transferring or selling Marijuana to a Section 4.26.050 registrant must keep a record of all Marijuana transferred or sold to such person.

C. The finance director may, during business hours, enter the business premises of a licensee where Marijuana are kept or stored, so far as it may be necessary for the purpose of examining such products and the related business records.

4.26.230 Administrative regulations.

The finance director, or designee, may adopt regulations providing for the application and interpretation of this chapter and providing methods and forms for reporting and collecting the tax imposed by this chapter.

4.26.240 Confidentiality of records.

A. All tax returns, documents, records, and/or reports filed with the department pursuant to the provisions of this chapter and all data obtained from such tax returns, documents, records, and/or reports are confidential and may not be released for inspection by any person except the finance department; provided, however, that such data may be released upon court order.

B. It is the duty of the finance director to safely keep tax returns, documents, records, and/or reports and all data taken therefrom secure from public and private inspection except as provided by this chapter.

C. This section does not prohibit the department from compiling and publishing statistical evidence concerning the data submitted; provided, that no identification of particular tax returns, documents, records, and/or reports is made. Nothing in this section shall be deemed to prohibit the finance director from examining the tax returns, documents, records, and/or reports; provided, that no information obtained from specific or identifiable tax returns shall be made available to persons other than those authorized to review them under subsection A of this section.

Section 3. Amendment to Section 1.20.040. That Dillingham Municipal Code Section 1.20.040 - Minor offense fine schedule is amended to by the addition of new language to read as follows:

Code Section	Offense	Penalty/Fine
4.26.050	Failure to register as a dealer retailer in marijuana products.	\$500
4.26.140	Failure to file marijuana excise tax return.	\$500
4.26.220	Falsifying marijuana excise tax records.	\$500
4.26.220	Failure to allow inspection of records.	\$500

Section 4. Effective Date. This ordinance is effective May 1, 2022.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 21, 2022.

Alice Ruby, Mayor

[SEAL]

ATTEST:

Lori Goodell, City Clerk