



## **CITY COUNCIL SPECIAL MEETING**

Saturday, March 05, 2022 at 9:00 AM

### **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 REGULAR MEETING CITY HALL COUNCIL CHAMBERS / 9:00 a.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/84927140648?pwd=a0VuMFZNRjlmSCtOdEY1UXI5UmFVdz09>

Meeting ID: 849 2714 0648; participant #, passcode: 195072

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 2022-07; A Resolution of the Dillingham City Council Amending the Bank Signature Card and Investment Signature Authority Forms Due to a Change in City Staff
- [2.](#) Adopt Resolution 2022-08; A Resolution of the Dillingham City Council Approving a FY2023 Capital Improvement Plan and the FY2023 Legislative Priorities List
- [3.](#) Introduce Ordinance 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
- [4.](#) Introduce Ordinance 2022-04; An Ordinance of the Dillingham City Council Amending Title 4 of the Dillingham Municipal Code Levying an Excise Tax on Seafood Products Imported for Processing in Dillingham

#### **COUNCIL COMMENTS**

#### **MAYOR'S COMMENTS**

#### **ADJOURNMENT**

CITY OF DILLINGHAM, ALASKA

**RESOLUTION NO. 2022-07**

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AMENDING THE BANK SIGNATURE CARD AND INVESTMENT ACCOUNTS SIGNATURE AUTHORITY FORMS DUE TO A CHANGE IN CITY STAFF**

---

WHEREAS, Robert Mawson was hired as the City Manager on March 1, 2022; and

WHEREAS, the signature cards for the City’s accounts at Wells Fargo Bank will need to reflect the change in personnel; and

WHEREAS, the signature authority forms for the City’s investments will need to be reflect the changes in City Council;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that the following persons are authorized to give instructions on behalf of the City of Dillingham on the funds that are now and shall be deposited in the above mentioned investment institutions..

- |                   |                  |
|-------------------|------------------|
| Robert Mawson     | City Manager     |
| Alice Ruby        | Mayor            |
| Chris Napoli      | Council Member   |
| Michael Bennett   | Council Member   |
| Aksel Buholm      | Council Member   |
| Neil C. Armstrong | Council Member   |
| Kaleb Westfall    | Council Member   |
| Perry Abrams      | Council Member   |
| Anita Fuller      | Finance Director |

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on March 5, 2022.

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST: [SEAL]

\_\_\_\_\_  
Lori Goodell, City Clerk

CITY OF DILLINGHAM, ALASKA

**RESOLUTION NO. 2022-08**

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL APPROVING A FY2023 CAPITAL IMPROVEMENT PLAN AND THE FY2023 LEGISLATIVE PRIORITIES LIST**

WHEREAS, Dillingham Municipal Code 2.21.040(D) authorizes the City Manager to prepare a Capital Improvement program to be submitted to the Dillingham City Council; and

WHEREAS, the City Manager has met with the City Lobbyist in preparing the recommended Capital Improvement list; and

WHEREAS, it is the intent of the Dillingham City Council to provide the Governor, the State Legislature, State agencies, the Alaska Congressional Delegation, and other potential funding sources with adequate information regarding the City's capital project funding needs;

NOW, THEREFORE, BE IT RESOLVED that the City of Dillingham 2023 Capital Improvement Plan is hereby adopted as the current official Capital Improvement plan for the City of Dillingham for FY2023; and

BE IT FURTHER RESOLVED that:

1. The following capital improvement projects and project funding needs are identified as priorities for the FY2023 State Legislative Request:

1	Harbor Float Replacement	\$6,088,085
2	Harbor Revetments & Breakwater/Emergency Bank Stabilization	\$8,733,244
3	Alternate Emergency Operations Center Phase II	\$583,470
4	Public Safety Building Replacement Design & Engineering	\$500,000
5	Snag Point Erosion Phase II (federal wrda project request)	\$0
6	Water System Improvements Phase III	\$5,002,000

2. Projects for the FY2023 Federal Legislative Request will be selected from this list; and
3. The City Manager is hereby instructed to advise appropriate State and Federal representatives and personnel of the City's FY2023 capital project priorities and take appropriate steps to provide necessary background information.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on March 5, 2022.

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
Lori Goodell, City Clerk

CODE ORDINANCE

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

\_\_\_\_\_  
Alice Ruby, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk

CODE ORDINANCE

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

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2022-04**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING TITLE 4 OF THE DILLINGHAM MUNICIPAL CODE LEVYING AN EXCISE TAX ON SEAFOOD PRODUCTS IMPORTED FOR PROCESSING IN DILLINGHAM**

---

WHEREAS, the City of Dillingham has historically devoted substantial public resources for construction, operation and maintenance of public infrastructure intended to support commercial fisheries catching and processing salmon landed in waters of Bristol Bay adjacent to Dillingham; and

WHEREAS, much of the infrastructure supporting Bristol Bay commercial fishing was constructed with federal and state grants which do not provide for ongoing maintenance or replacement funds; and

WHEREAS, it is anticipated that there will be a need to improve infrastructure related to commercial fishing and that state and federal grant funds will not be as available as they were in the past; and

WHEREAS, all other municipalities of similar size and with similar fishing related infrastructure needs in the general Bristol Bay area levy a tax on raw fish including, the Bristol Bay Borough, the Lake and Peninsula Borough and the cities of Togiak, Egegik and Pilot Point; and

WHEREAS, the estimated taxable value of commercial salmon harvested in or adjacent to Dillingham and imported into the City of Dillingham for processing is estimated to range between \$15,000,000 and \$25,000,000 annually; and

WHEREAS, the Dillingham City Council believes it to be in the best interests of the residents of Dillingham to adopt a seafood processing excise tax to raise revenue so the City may continue to adequately support the fishing industry and for other public purposes.

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM:

**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 adoption of a new Chapter 4.27, Seafood Processing Excise Tax, to read as follows:

## Chapter 4.27

## SEAFOOD PROCESSING EXCISE TAX

## Sections:

<b>4.27.010</b>	<b>Definitions</b>
<b>4.27.020</b>	<b>Levy of Tax</b>
<b>4.27.030</b>	<b>Registration Required</b>
<b>4.27.040</b>	<b>Tax Rate</b>
<b>4.27.050</b>	<b>Exemptions</b>
<b>4.27.060</b>	<b>Collection and Administration</b>
<b>4.27.070</b>	<b>Enforcement and Penalties</b>
<b>4.27.080</b>	<b>Excise Tax Return Verification</b>
<b>4.27.090</b>	<b>Confidentiality</b>
<b>4.27.100</b>	<b>Liability for and Collection of Severance Tax</b>
<b>4.27.110</b>	<b>Penalties and Interest</b>

**4.27.010 Definitions.**

When not clearly otherwise indicated by the context, the following words and phrases, as used in this chapter, have the following meanings:

“City” means City of Dillingham.

“Harvester” means a person, company, corporation, or other entity engaged in the business of severing or harvesting natural resources. It includes persons who harvest seafood products outside the boundaries of the City and transfer those seafood products for delivery and processing at locations within the City provided that the sales made by such harvesters are not already subject to the City Raw Fish Tax. It does not include persons who harvest seafood products for subsistence or sport uses.

“Seafood Processing” or “Processed” means heading, gutting, cleaning, filleting, canning, freezing, glazing, packaging, or otherwise preserving a seafood product.

“Seafood Processor” means any person engaged in seafood processing within the City boundaries, except for personal or subsistence purposes.

“Seafood Products” means any raw finfish, groundfish, shellfish, mollusks and other commercial products of the sea.

**4.27.020 Levy of tax.**

There is levied, on any Seafood Processor engaged in Seafood Processing in the City, an excise tax on all Seafood Products for which no tax has been collected under the provisions of the City Raw Fish Tax. The tax rate shall be the applicable rate as set forth in subsection 4.27.040.



**4.27.030 Registration Required.**

All Seafood Processors, except those exempted under section 4.27.050, must register with the City and hold a valid City Business License as set forth in Section 4.16 of DMC.

**4.27.040 Tax rate.**

The tax levied by this Chapter shall be at the rate set forth in the following table for all Seafood Products processed within the corporate limits of the city.

Species	Tax per pound in dollars
Pink Salmon	\$0.004
Chum Salmon	\$0.012
Coho Salmon	\$0.032
Chinook Salmon	\$0.037
Sockeye Salmon	\$0.044
Halibut	\$0.24
Herring	\$0.0075
All other species	\$0.02

**4.27.050 Exemptions.**

- A. Seafood Processors who process less than ten thousand pounds of Seafood Products are exempt from taxation under this chapter.
- B. The first ten thousand pounds of Seafood Products subject to this tax purchased from a Harvester by a Seafood Processor not exempt under subsection A are exempt from taxation under this chapter.
- C. Any person who harvests Seafood Products strictly for personal or subsistence use, and does not sell any Seafood Products harvested are exempt from any provision of this chapter.

**4.27.060 Collection and Administration.**

- A. Every Seafood Processor who makes payments for a seafood product subject to excise tax shall submit to the City a City of Dillingham annual seafood processing excise tax return, under oath, containing the following information:
  1. The number of pounds of Seafood Product purchased from Harvesters during the preceding twelve (12) months;
  2. The number of pounds of Seafood Product exempt from tax; and
  3. The name and location of the Seafood Processor
- B. The return along with all taxes due the City for the year must be received by the City on or before November 1<sup>st</sup> for the preceding twelve (12) month period.
- C. This tax constitutes a lien chargeable against all property whether tangible or intangible owned by the Seafood Processor. The lien may be foreclosed by the City in the same manner as any other lien against real or personal property.

**4.27.070 Enforcement and Penalties.**

- A. The superior court, upon request of the City, shall issue an injunction requiring compliance with the provisions of this chapter.
- B. The City may determine the excise tax on parties who have not filed a return in an amount based on historical data or the best information reasonably available to the City.
- C. A person who fails, refuses, or neglects to file an excise tax return in compliance with this chapter shall, in addition to any other penalties provided by law, be liable for a penalty of ten (10) percent of the tax.

**4.27.080 Excise Tax Return Verification.**

The City Manager or his/her designee may:

- A. Require a Seafood Processor or harvester, or any agent or employee of this person, to furnish any additional information reasonably necessary to compute the amount of the tax or to determine if a tax is due;
- B. Examine the books, records, and files of any such person;
- C. Conduct hearings and compel the attendance of witnesses and the production of books, records, and papers of any person; and
- D. Make an investigation or hold any inquiry reasonably necessary to a disclosure of facts as to:
  1. The amount of pounds of Seafood Product delivered or imported into the City for processing; and
  2. The purchaser of the Seafood Product

**4.27.090 Confidentiality.**

Information and materials in the possession of the City which disclose the particulars of the business or affairs of then payer of taxes under this chapter will be kept confidential by the City except in connection with an official investigation by the City or other agency enforcing the laws of the City or the State. The City may publish statistics in a manner which prevents identification of particular returns and may publish tax lists showing the names, taxes, penalties, and interest with respect to taxpayers who are delinquent to assist in the collection of taxes.

**4.27.100 Liability for and Collection of Excise tax.**

The Seafood Processer purchasing Seafood Product taxed under this chapter is liable for the amount of taxes, interest, and penalties due. The tax, together with penalties and interest, may be collected in a personal action brought in the name of the City.

**4.27.110 Penalties and Interest.**

All taxes due under this chapter but not timely paid as required are subject to a penalty of 10% of the tax due. Interest shall accrue on the tax due including penalties and interest at the rate of 6% per year from the date such taxes are due. Partial payments shall be applied first to accrued penalties, then to interest, and then to principal. A payment is timely paid when mailed to the City postage prepaid bearing a postmark date no later than the due date.

**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
4.27.030	Failure to register as a processor of seafood products.	\$500
4.27.060	Failure to file seafood processor excise tax return.	\$1000
4.27.060	Falsifying seafood processor excise tax records.	\$1000
4.27.080	Failure to allow inspection of records.	\$500

**Section 4. Effective Date.** This ordinance shall be effective as of XXX 1, 2022.

**Section 5. Repeal of Chapter 4.22.** Chapter 4.22 of the Dillingham Municipal Code is hereby repealed in its entirety.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 7, 2022.

\_\_\_\_\_  
Alice Ruby, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk