

CLERK'S OFFICE  
AMENDED AND APPROVED

Date: 5-10-2016

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Finance and Law Departments  
For reading: May 10, 2016

**ANCHORAGE, ALASKA**  
**AO No. 2016-49(S), As Amended**

**AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE BY ENACTING CHAPTER 12.50, RETAIL SALES TAX ON MARIJUANA AND MARIJUANA PRODUCTS, TO ESTABLISH THE REQUIREMENTS AND PROCEDURES FOR THE ADMINISTRATION, COLLECTION AND ENFORCEMENT OF THE MARIJUANA RETAIL SALES TAX APPROVED BY THE VOTERS, INCLUDING, BUT NOT LIMITED TO, PROVISIONS REGARDING: DEFINITIONS, TAX RATE, RETAILER REGISTRATION, TAX CREDITS, TAX RETURNS, PROHIBITED ACTS, PENALTIES AND INTEREST, APPLICATION OF PAYMENTS, RECORDS RETENTION, INSPECTION AND CONFIDENTIALITY, TAX REFUNDS, AND TAXPAYER REMEDIES.**

**THE ANCHORAGE ASSEMBLY ORDAINS:**

**Section 1.** Anchorage Municipal Code Title 12 is hereby amended by enacting a new Chapter 12.50 to read as follows:

Chapter 12.50      RETAIL SALES TAX ON MARIJUANA AND  
MARIJUANA PRODUCTS

**12.50.010      Definitions.**

Any words, terms and phrases not defined in this section shall, if defined therein, have the meaning given in AS 17.38.900 or regulations adopted by the Alaska Marijuana Control Board, or otherwise shall have their ordinary and common meaning. The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Certificate* means a certificate of registration.

*Certificate of registration* means a license issued by the department authorizing a specified retailer to assess, collect, and timely remit to the department the retail marijuana sales tax levied by this chapter.

*Chief fiscal officer* means the chief fiscal officer of the municipality or designee.

*Consideration* means something of value given by each party to a contract that induces that party to enter into the agreement to exchange

1 mutual performances. Consideration must have a value that can be  
2 objectively determined.

3  
4 *Consumer* means a natural person who purchases retail marijuana  
5 or retail marijuana products for personal use by persons 21 years of age or  
6 older, but not for resale to others.

7  
8 *Department* means the finance department of the municipality.

9  
10 *Fiduciary* means a retailer or a person or responsible party acting on  
11 behalf of a retailer, to whom the duties to collect, segregate and remit the  
12 taxes authorized by this chapter is entrusted for purposes specified in this  
13 chapter.

14  
15 *Funds* means money, assets or intangible assets that can be  
16 converted to United States currency and/or coin.

17  
18 *Inventory count* means the effective date and details of a count by  
19 description, including the trade name and brand, purchase price and total  
20 quantity on-hand of all marijuana and marijuana products.

21  
22 *Marijuana* means all parts of the plant of the genus *Cannabis*,  
23 whether growing or not, the seeds thereof, the resin extracted from any part  
24 of the plant, and every compound, manufacture, salt, derivative, mixture, or  
25 preparation of the plant, its seeds, or its resin, including marijuana  
26 concentrate.

27  
28 *Marijuana product(s)* means products that are concentrated extracts  
29 of marijuana and products that are comprised of marijuana and other  
30 ingredients that are intended for use or consumption, such as, but not  
31 limited to, edible products, oils, ointments, and tinctures.

32  
33 *Marijuana cultivation facility* means any person licensed by the State  
34 of Alaska to cultivate, prepare and package marijuana and to sell marijuana  
35 to retailers, to marijuana product manufacturing facilities, and to other  
36 marijuana cultivation facilities, but not to consumers.

37  
38 *Marijuana product manufacturing facility* means any person licensed  
39 by the State of Alaska to purchase marijuana; manufacture, prepare, and  
40 package marijuana products; and sell marijuana and marijuana products to  
41 other marijuana product manufacturing facilities and to retailers, but not to  
42 consumers.

43  
44 *Municipality* means the Municipality of Anchorage.

45  
46 *Person* includes an individual, company, partnership, limited liability  
47 partnership, joint venture, joint agreement, limited liability company,



association (mutual or otherwise), corporation, estate, trust, business trust, receiver, trustee, syndicate, or any combination acting as a unit.

*Responsible party* means a person who has a level of control over, or entitlement to, the funds or assets of a retailer that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the retailer or the retail operations.

*Retail marijuana sales tax* means the sales tax levied by Charter section 14.06 and this chapter on retail marijuana and retail marijuana products sold at a retailer and paid by the consumer, pursuant to this chapter.

*Retailer* means any person or responsible party who is required to be licensed as a retail marijuana store by the State of Alaska and the municipality to sell marijuana or marijuana products to the public. [PURCHASE MARIJUANA AND/OR MARIJUANA PRODUCTS FROM MARIJUANA CULTIVATION FACILITIES AND/OR MARIJUANA PRODUCT MANUFACTURING FACILITIES, AND TO REPACKAGE, MIX, HANDLE, SERVE OR SELL MARIJUANA OR MARIJUANA PRODUCTS SOLELY TO CONSUMERS IN EXCHANGE FOR MONEY, CREDIT, PROPERTY OR OTHER CONSIDERATION.]

*Retail sale* means any exchange or barter, in any manner or by any means whatsoever, for consideration, of marijuana or marijuana products by a retailer to a consumer.

*Sale(s) price* means the consideration, whether money, rights, credit or other property expressed in the terms of money paid or delivered by a consumer to a retailer, without deduction for the cost of property sold, materials used, labor cost, discount, delivery costs or any other expense whatsoever paid or accrued and without deduction on account of losses.

*Tax return* means the monthly report to be submitted to the department as required by 12.50.170.

#### **12.50.020    Applicability of chapter.**

Unless provided otherwise, this chapter shall apply to the taxation of all retail marijuana or marijuana product sales within the municipality.

#### **12.50.030    Retail sales tax on marijuana and marijuana products.**

- A. There is hereby levied a tax on all retail sales of marijuana and marijuana products in an amount equal to five percent (5%) of the sales price paid.
- B. The tax on marijuana and marijuana products may be adjusted by the assembly as provided in Charter section 14.06.

- 1  
2 C. Every retailer making a taxable retail sale under this chapter shall  
3 collect the retail marijuana sales tax from the consumer at the time of  
4 collection of the sales price, and shall deliver the same to the  
5 municipality in accordance with the requirements of this chapter.  
6

7 **12.50.040 Tax exemptions.**  
8

- 9 A. The following transactions are exempt from the tax levied by section  
10 12.50.030:  
11

- 12 1. Sales of marijuana or marijuana products to a customer who  
13 is an officer or employee of a foreign government which is  
14 exempt from taxation by law or treaty.  
15

16 **12.50.050 Intent and purpose of chapter and taxpayer.**  
17

18 It is the intent and purpose of this chapter to collect the tax from the  
19 person who purchases marijuana or marijuana products from a retailer  
20 within the municipality. Notwithstanding anything to the contrary contained  
21 in this chapter, the taxpayer shall be those persons described in this section  
22 and no others.  
23

24  
25 **12.50.060 Tax receipts to be segregated and held in trust for the**  
26 **municipality.**  
27

- 28 A. Taxes collected pursuant to this chapter belong to the municipality at  
29 the time collected from the consumer by the retailer. The retailer has  
30 a fiduciary duty to the municipality for these taxes. The taxes shall be  
31 segregated from the retailer's funds, at least by book account, and  
32 held in trust for the exclusive benefit of the municipality until remitted  
33 to the municipality.  
34  
35 B. When the circumstances described in section 12.50.160E. have  
36 occurred, the chief fiscal officer may require the retailer to maintain a  
37 separate account, as directed, for segregating tax monies collected.  
38 The retailer required to establish an account under this section shall  
39 deposit tax monies therein upon collection. Any costs incurred to  
40 maintain the separate account shall be borne by the retailer.  
41

42 **12.50.070 Certificate of registration: eligibility.**  
43

- 44 A. To be eligible for a certificate of registration, a retailer [PERSON]  
45 applying for a certificate [TO CONDUCT BUSINESS AS A RETAILER] shall:  
46



1. Possess a current business license as required by AS 43.70, and all current State of Alaska marijuana retailer licenses as required by AS 17.38. Copies of the licenses must be provided to the municipality before a certificate of registration will be issued;
2. Have arranged for locations intended for the retailer's business that comply with municipal land use ordinances and regulations and have received, or will receive prior to issuance of a certificate, approval for a special land use permit from the municipality if one is required;
3. Have obtained a current retail marijuana store license issued by the municipal clerk; and
4. Provide verification and affirmation that all responsible parties for the retailer:
  - a. have not at any time in the most recent five-year period been convicted of a crime related to theft of tax dollars, attempted theft of tax dollars, failure to remit taxes due, embezzlement, theft, or similar financial crimes;
  - b. have not at any time during the most recent five-year period had a certificate of registration under this chapter revoked more than once;
  - c. do not have delinquent tax obligations to the municipality or have substantially unpaid delinquent financial obligations to the municipality; and
  - d. do not have any unresolved issues regarding a prior certificate of registration issued under this chapter.

**12.50.080 Certificate of registration: required.**

- A. Except as otherwise provided in this chapter, every retailer shall obtain a certificate of registration for each location at which the business of retail sales of marijuana or marijuana products are conducted, prior to operating as a retailer within the municipality.
- B. Retailers shall display their certificate of registration in a conspicuous place where it can be readily viewed by consumers at the registered place of business.
- C. A certificate of registration issued under this chapter shall state the following:
  1. business name and business address of the retailer;
  2. name of the person(s) owning the retail business;
  3. retailer's form of business organization; and

4. issue date of the certificate.

- D. Except as otherwise provided in this chapter, a certificate issued under this chapter is valid from the issue date through the following September 30.
- E. A **retailer [PERSON]** whose certificate is lost, stolen or defaced shall immediately file an application with the department for reissuance of the certificate for the balance of the unexpired term.
- F. A certificate issued by this chapter is in addition to any other license required by law.
- G. A certificate issued under this section is a privilege for a retailer to have and there is no right, entitlement or property interest created by the issuance of a certificate to a retailer.

**12.50.090 Certificate of registration: application.**

- A. Application for registration to operate as a retailer within the municipality shall be made to the chief fiscal officer on a form provided by the department, containing such information as the department may require, including:
1. The **[APPLICANT]** retailer's name and mailing address;
  2. Names and addresses of all owners of the **[APPLICANT]** retailer and all responsible parties for the retailer, **including as follows:**
    - a. **Corporation: names and addresses of the principal officers including president, vice-president, secretary, managing officer, and all stockholders who own 10 percent (10%) or more of the stock in the corporation;**
    - b. **Partnership, including a limited partnership: names and addresses of all general partners and all partners with an interest of 10 percent (10%) or more; or**
    - c. **Limited Liability Company: names and addresses of all members with an ownership interest of 10 percent (10%) or more and the names and addresses of all managers;**
  3. A copy of the **[APPLICANT]** retailer's current State of Alaska business license, including the line of business (LOB) code or equivalent;



4. A copy of the [APPLICANT] retailer's current State of Alaska retail marijuana store license and current employee list setting out the full name(s) and marijuana handler permit number(s) as required by 3 AAC 306.755(a)(2);
5. The name under which the [APPLICANT] retailer will conduct business operations;
6. The physical location of each retail business operation where the [APPLICANT] retailer will conduct business within the municipality;
7. The signature of a responsible party for the retailer [THE APPLICANT], constituting [THE APPLICANT'S] acknowledgment of, and firmly binding the [APPLICANT] retailer, its owners, and all responsible parties to, the following:
  - a. an agreement that any contemporaneous or future complaints filed by the department in the Alaska Court System related to responsibilities, duties, consequences, or disputes associated with this chapter shall at all times be within the venue of the Anchorage District or Superior courts located in Anchorage, Third Judicial District;
  - b. an obligation, in the event that an owner, partner, managing member, responsible party, or employee of the [APPLICANT] retailer subsequently commits civil fraud, as defined by this chapter and demonstrated by a preponderance of the evidence to have occurred, to remit to the municipality an amount that equals the taxes that would have been paid to the municipality if all the retail sales taxes collected had been remitted, pursuant to this chapter; and
  - c. an acknowledgment of a responsible party for the retailer [THE APPLICANT] that the [APPLICANT] retailer and any person involved in a civil fraud, as defined by this chapter and demonstrated by a preponderance of evidence to have occurred, will become ineligible to register or hold a certificate under this section for a period of five (5) years, beginning with the date of conviction of fraud or the date of revocation of the [APPLICANT] retailer's registration in accordance with section 12.50.130;
8. The signature of a responsible party for the retailer [THE APPLICANT] authorizing the State of Alaska to release information provided by or related to the [APPLICANT] retailer in accordance with AS 17.38 to the department at the request of the department;

9. [IN ADDITION TO OTHER REQUIREMENTS IN THIS SECTION, A BUSINESS ENTITY THAT APPLIES FOR A CERTIFICATE OF REGISTRATION SHALL PROVIDE THE FOLLOWING INFORMATION:

A. CORPORATION: NAMES AND ADDRESSES OF THE PRINCIPAL OFFICERS INCLUDING PRESIDENT, VICE-PRESIDENT, SECRETARY, MANAGING OFFICER, AND ALL STOCKHOLDERS WHO OWN 10 PERCENT (10%) OR MORE OF THE STOCK IN THE CORPORATION;

B. PARTNERSHIP, INCLUDING A LIMITED PARTNERSHIP: NAMES AND ADDRESSES OF ALL GENERAL PARTNERS AND ALL PARTNERS WITH AN INTEREST OF 10 PERCENT (10%) OR MORE; OR

C. LIMITED LIABILITY ORGANIZATION: NAMES AND ADDRESSES OF ALL MEMBERS WITH AN OWNERSHIP INTEREST OF 10 PERCENT (10%) OR MORE AND THE NAMES AND ADDRESSES OF ALL MANAGERS;

10.] The [APPLICANT's] signature of a responsible party for the retailer confirming that the retailer [APPLICANT] fully understands the relevant compliance requirements of this chapter; and

10 [11]. Such other information as the department may require.

B. A [N APPLICANT] retailer having more than one retail location within the municipality shall apply with the department for a certificate to register each separate location, and may submit an application for additional locations other than the main or original location on a form provided by the department, which shall include:

1. A copy of the [APPLICANT] retailer's current State of Alaska retail marijuana store license for each additional location and current employee list for the additional location setting out the full name(s) and marijuana handler permit number(s) as required by 3 AAC 306.755(a)(2);

2. A copy of the retailer's [APPLICANT's] certificate of registration for its main or original retail location, or indicate such main application is pending; and

3. Such other information as the department may require.

C. All retailers [PERSONS] registered under this chapter shall maintain compliance with all relevant municipal and State of Alaska laws and administrative requirements related to the registered business, including but not limited to: business license, retail marijuana licenses, special land use permit and any related required periodic reporting.

D. All retailers [PERSONS] applying for registration under this chapter shall affirm that the [APPLICANT] retailer, and if a business entity



then all persons identified in subsection **A.2. [A.9.]**, is current with all financial obligations due to the municipality.

- E. A **[N APPLICANT]** retailer applying for a certificate of registration under this chapter shall provide security for its fiduciary performance in accordance with section 12.50.160. Evidence of such security shall be submitted to the department with the application.
- F. An **[PERSON'S]** application for and acceptance of the certificate issued under this chapter constitutes confirmation **and [OF THE PERSON'S]** acknowledgement on behalf of the **[APPLICANT AND]** retailer **and all responsible parties for the retailer** of the fiduciary duties pursuant to this chapter.
- G. Each signature on the application shall be by a person or agent having such authority to sign and bind the **retailer [APPLICANT]** and shall be under penalty of prosecution for unsworn falsification.

**12.50.100 Certificate of registration: denial.**

- A. The department may deny an application for registration if:
1. there is reasonable cause to believe that the **retailer or a responsible party for the retailer [APPLICANT]** has willfully withheld information requested to determine the **[APPLICANT]** retailer's eligibility to receive a certificate of registration;
  2. there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith;
  3. there is reasonable cause to believe that the **[APPLICANT]** retailer's business organization has been structured to avoid payment of taxes, penalties, interest, or costs due under this chapter;
  4. the **[APPLICANT]** retailer, or any owner, partner, member, or responsible party has an unpaid financial obligation due to the municipality;
  5. the **[APPLICANT]** retailer, or any owner, partner, member, responsible party, or employee had a certificate under this chapter revoked by the department within the previous five (5) years;
  6. the **[APPLICANT]** retailer, or any owner, partner, member, responsible party, or employee has been convicted of a felony or misdemeanor theft of money within the previous five (5) years; or
  7. the application is not complete.

- 1           B.     The department shall deny an application if the **[APPLICANT]** retailer  
2           does not currently possess all other licenses required by law.
- 3           C.     The department shall provide the reasons for a denial in writing to  
4           the **retailer [APPLICANT]**. The **retailer [APPLICANT]** may appeal the  
5           denial in accordance with section 12.50.290.

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7           **12.50.110     Certificate of registration: fee, renewal.**

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- 9           A.     Except for a **retailer [N APPLICANT]** having more than one retail  
10           business location within the municipality, each application for  
11           registration shall be accompanied by a fee of \$250.00. For a  
12           **retailer [N APPLICANT]** having more than one retail business  
13           location within the municipality, the fee for registration shall be  
14           \$250.00 for the first retail location being registered and \$25.00 for  
15           each additional retail location being registered.
- 16           B.     A fee of \$25.00 shall be charged for issuing a replacement  
17           certificate to a retailer whose certificate of registration has  
18           automatically expired because the retailer moves the business to  
19           another location within the municipality and applies for a certificate  
20           for the new location for the remaining balance of the term.
- 21           C.     A fee of \$25.00 shall be charged for reissuing a certificate that has  
22           been lost, stolen or defaced.
- 23           D.     A retailer may apply for renewal of its certificate up to two (2)  
24           months prior to expiration of the current certificate.
- 25

26           **12.50.120     Certificate of registration: expiration.**

27

- 28           A.     A certificate of registration issued under this chapter shall  
29           automatically expire if any of the following occur:
- 30                   1.     Immediately after September 30 following the issuance  
31                   date, unless the certificate states otherwise.
- 32                   2.     The retailer moves the business to another location within  
33                   the municipality. The retailer shall immediately file an  
34                   application with the department for issuance of a  
35                   replacement certificate for the new location for the  
36                   remaining balance of the term.
- 37                   3.     On the last day of the term of a surety bond, deposit in  
38                   escrow, or letter of credit submitted as financial guarantee,  
39                   unless the retailer has either renewed the surety bond,  
40                   deposit in escrow, or letter of credit, or provided a new  
41                   financial guarantee, or the department has waived the  
42                   requirement for financial guarantee., The retailer must



immediately reapply, pursuant to section 12.50.090, to  
renew its certificate.

4. A retailer ceases to engage in business as a retailer, ceases to engage in business at its registered place(s) of business, changes its name, or changes the name by which the registered retail business operation is advertised or marketed by the retailer.

- B. A retailer must immediately submit an updated application, as prescribed by the chief fiscal officer, upon any change in form of ownership, or if the retailer is owned by a business entity, upon any change in the owners of the entity who owns the retailer. The chief fiscal officer will review the updated application, pursuant to this chapter. A new certificate of registration will not be issued until the department has received the expired certificate.

**12.50.130 Certificate of registration: surrender, suspension, or revocation.**

- A. A retailer shall surrender its certificate of registration to the department as follows:

1. within ten (10) days after its certificate expires; or
2. immediately, upon suspension or revocation by the department.

- B. The department may suspend or revoke a certificate issued under this chapter for any violation of this chapter.

- C. A certificate of registration shall be automatically revoked:

1. when the retailer's required financial guarantee lapses, is not renewed, expires, is modified without the written consent of the chief fiscal officer, is cancelled, or is otherwise terminated; or
2. in the event the municipality exercises a claim against the financial guarantee and the retailer fails to replace, renew or replenish its financial guarantee, in an amount equal to the amount of the paid claim or in an aggregate amount as required by section 12.50.160, no later than thirty (30) days after the date such claim was paid.

- D. The department shall revoke a certificate of registration if:

1. a retailer fails to remit substantially all (at least ninety-five percent) of the taxes due under this chapter within forty-five (45) calendar days of the due date;
2. subsequent to the issuance of the certificate the department

discovers that the retailer or a responsible party for the retailer has willfully withheld information requested to determine the retailer's [APPLICANT'S] eligibility to receive a certificate, or there is reasonable cause to believe that information submitted in the application was false or misleading and was not made in good faith; or

3. when the retailer's circumstances change to a point where it no longer meets eligibility requirements set forth in section 12.50.070.

- E. If the department decides to revoke a certificate issued under this chapter, based on any violation of this chapter, the department shall notify the retailer of the date it intends to enforce such revocation. A retailer may apply to the department to request a hearing before the chief fiscal officer on the department's action or determination, as set forth in section 12.50.290.

#### **12.50.140 Certificate of registration: transfer or assignment.**

*Non-transferable.* The certificate of registration issued under this section is not assignable or transferable, except that in the case of death, bankruptcy, receivership, or incompetency of the retailer (or its principals if the retailer is an entity), or if the certificate is transferred to another by operation of law, the department may extend the certificate for a limited time to the executor, administrator, trustee, receiver, or the transferee.

#### **12.50.150 Fiduciary duties.**

- A. The fiduciary duties include at a minimum:

1. determining, implementing, and enforcing sufficient and relevant policies and practices to ensure proper performance of fiduciary duties;
2. charging, collecting, and safeguarding all taxes required by this chapter to be collected by the retailer;
3. directing and reviewing the actions of each member, officer, director, employee, and contractor employed or used by the retailer in the exercise of the fiduciary duties under this chapter;
4. performing all acts, not prohibited by this chapter, whether or not expressly authorized, that a reasonable and prudent person would consider necessary or proper in administering and safeguarding the taxes collected under this chapter; and



5. maintaining accounting records associated with taxes collected under this chapter in accordance with generally accepted accounting principles.

B. The fiduciary is liable for a breach of a duty that is assigned or delegated. However, the fiduciary is not liable for a breach of a duty that has been delegated to another person if the duty is assigned by law to another person, except to the extent that the fiduciary or designee:

1. knowingly participates in, or knowingly undertakes to conceal, an act or omission of another person knowing that the act or omission is a breach of that person's duties under this chapter; or

2. by failure to comply with this section in the administration of specific responsibilities, enables another person to commit a breach of duty.

C. Funds held in a fiduciary capacity shall be clearly identified in a retailer's financial statement and, if maintained in an account at a financial institution, the account shall be clearly identified as a fiduciary account.

#### **12.50.160 Security for fiduciary performance.**

A. *Guarantee required.* To ensure that a retailer performs its fiduciary responsibility to timely collect, account for, safeguard, and remit taxes levied by this chapter, the retailer shall provide a guarantee by one or more of the methods specified in this section. The amount of the guarantee shall be in the amount that the chief fiscal officer estimates to be an average amount of annual sales tax collected by the retailer, a comparable retailer(s), industry averages, or \$10,000.00, whichever is higher. Except as specified in subsection D of this section, the requirement for a guarantee shall remain in force for the entire period the retailer [APPLICANT] is registered [AS A RETAILER] in accordance with section 12.50.080.

B. *Persons to provide guarantee.* The guarantee required under this section shall be provided for by the [APPLICANT] retailer or by personal guarantee from an owner(s), partner(s), member(s), officer(s), director(s), or responsible party(ies) of the retailer, or any combination thereof.

C. *Methods.* The retailer shall include one or more of the following methods to guarantee performance of its fiduciary responsibilities at the time of application for a certificate of registration:

1. *Surety bond.* The retailer may elect to provide a surety bond, in an amount defined in subsection A of this section, from a company authorized to do such business in the state. The



bond shall be in a form acceptable to the municipal attorney. The bond shall be payable to the municipality and shall be conditioned upon payment in full of the tax, including penalties and interest due and to become due and owing to the municipality by said retailer during the effective period of the bond under the provisions of this chapter. The surety may terminate this bond, except as to any liability already incurred or accrued, and may do so upon giving the retailer and the chief fiscal officer written notice to that effect. The surety shall provide written notice to the chief fiscal officer not less than thirty (30) days before the expiration, non-renewal, lapse, termination, or other similar event affecting such surety bond. Thirty (30) days after receipt by the chief fiscal officer of such notice or upon a later date specified in the notice, or upon the filing and acceptance of a new bond, the existing bond shall terminate and be of no more force and effect, except as to any liabilities or indebtedness incurred or accrued thereunder as of the date of termination.

2. *Deposit in escrow.* The retailer may elect to deposit a cash sum, in an amount defined in subsection A of this section, either with the municipality or in escrow with a responsible financial institution authorized to do such business in the state. In the case of an escrow account, the retailer shall file with the municipality an escrow agreement, which includes the following terms:

a. funds of the escrow account shall be held in trust until released by the municipality and may not be used or pledged by the retailer as security in any matter during that period other than payment of the tax, penalties, and interest due and to become due and owing to the municipality under this chapter; and

b. in the case of a failure on the part of the retailer to remit taxes due under this chapter by the required due date, the institution shall immediately make all funds in such account available to the municipality for use in satisfying those taxes due, along with any related penalties and interest as provided for in this chapter.

3. *Letter of credit.* The retailer may elect to provide, from a bank or other responsible financial institution authorized to do such business in the state, a letter of credit in a form acceptable to the municipal attorney. Such letter shall be filed with the municipality and shall certify the following:

a. the financial institution irrevocably guarantees funds in an amount defined in subsection A of this section; and



- b. in the case of failure on the part of the retailer to remit taxes due under this chapter by the required due date, the financial institution shall pay to the municipality immediately and without further action such funds as are necessary to satisfy those taxes due, along with any related penalties and interest as provided for in this chapter, up to the limit of credit stated in the letter.

D. Once a retailer has filed a tax return and remitted the full amount of taxes due under this chapter, by the due date prescribed by this chapter, for twenty-four (24) consecutive reporting periods, the retailer may submit a written request to the chief fiscal officer for a waiver of the requirement for the retailer to post a guarantee. The chief fiscal officer shall provide written approval of such request, stating the date the requirement for a guarantee shall expire, except when the following circumstances apply:

1. the retailer has had any certificate of registration previously issued under this chapter revoked by the department; or
2. the department has reasonable cause to believe that the retailer is a related party or related entity to another retailer or prior retailer whose certificate of registration has previously been revoked under this chapter.

E. The chief fiscal officer may require the retailer to provide a financial guarantee that is double the amount established by subsection A of this section, based on the following:

1. a responsible party was ineligible for a five-year period under a limitation in subsection 12.50.070A.4., and the five-year period has passed;
2. the retailer has incurred penalties under this chapter for three (3) consecutive reporting periods; or
3. the retailer has incurred penalties under this chapter in at least six (6) reporting periods out of nine (9) consecutive months.

F. The agreement or contract and other evidence of a guarantee under this section is subject to inspection upon demand by the department.

**12.50.170 Tax return and remittance.**

A. Within thirty (30) days after the end of each calendar month, every retailer shall submit to the department a tax return upon a form provided by the department and shall remit therewith all taxes required to be collected by this chapter during the immediately preceding calendar month. A tax return shall be filed even if there are no taxes due for the period being reported. Tax returns and taxes to be remitted under this chapter must be actually received by the department within the time required by this section.

1. The tax return shall be signed under penalty of perjury by an officer of the retailer and shall include the following for that reporting period:
  - a. the name and mailing address of the retailer;
  - b. the name and title of the person filing the tax return;
  - c. the aggregate amount of the retail sales within the municipality transacted by the retailer, with sales of marijuana reported separately from sales of marijuana products;
  - d. the aggregate amount of any allowable deductions, with deductions related to marijuana reported separately from deductions related to marijuana products;
  - e. the amount of retail sales tax due;
  - f. marijuana and marijuana product acquisition data; and
  - g. such other relevant information and supporting documentation as the department may require.
2. If a retailer fails to file a tax return under this section or when the chief fiscal officer finds that a tax return filed by a retailer is not supported by the records required to be maintained under this chapter, the chief fiscal officer may prepare and file an involuntary tax return on behalf of the retailer. Taxes due on an involuntary tax return may be premised upon any information that is available to the chief fiscal officer including comparative data for similar businesses. A retailer shall be liable for the taxes stated on an involuntary tax return, together with penalties and interest provided in this chapter.
3. The department shall notify the retailer of an involuntary tax return, the basis of the department's calculations, the retailer's rights under section 12.50.290, and provide written notice that payment of the taxes, penalties, and interest is due immediately.
4. Unless otherwise determined by the chief fiscal officer in a decision under section 12.50.290, taxes due under this section shall be due on the same date as if a tax return had been filed by the retailer in accordance with this chapter, and interest, penalties, and costs thereon shall accrue from such date.
5. A tax return prepared by the chief fiscal officer is prima facie evidence of taxes due, and the penalties and interest accruing from said tax liability. In an application under section 12.50.290, it is the retailer's burden to rebut the presumed sufficiency of a tax return prepared by the department.



- 1                   6.     A retailer with multiple locations must either file a separate tax  
2                   return for each location or use a supporting schedule that  
3                   clearly identifies the data and balances associated with each  
4                   separate location.

5  
6                   **12.50.180     Amended tax returns.**

7  
8                   Any tax return filed under section 12.50.170 may be amended by the  
9                   retailer.

10  
11                  **12.50.190     Application of payments.**

12  
13                  Any payment submitted to the department for taxes, interest,  
14                  penalties or costs due under any tax return, provision of this chapter, or any  
15                  finding or determination by the department under this chapter shall be  
16                  credited to the tax period for which remitted, but shall be credited first to the  
17                  payment of costs and then to the payment of penalties, interest, and taxes  
18                  due, in that order.

19  
20                  **12.50.200     Tax refunds.**

- 21  
22                  A.     If the department determines after audit that a retailer's tax  
23                  remittance exceeds the actual amount due, the department shall,  
24                  upon written request of the retailer, refund the excess to the retailer  
25                  without interest.
- 26                  B.     The retailer shall apply for a refund in writing on a form provided by  
27                  the department no later than two (2) years from the date the excess  
28                  payment was transmitted to the department. Any claim for a refund  
29                  filed more than two (2) years after the date of the excess payment is  
30                  forever barred. For purposes of this section, a "refund" means  
31                  payment by the municipality to the retailer or book entry by the  
32                  municipality to offset other current or future amounts due from the  
33                  retailer.
- 34                  C.     *If a retailer discovers that it has miscalculated the retail*  
35                  *marijuana sales tax, and a consumer paid more tax than*  
36                  *should have been collected, the excess tax shall be*  
37                  *remitted to the municipality pursuant to section 12.50.170.*

38  
39                  **12.50.210     Confidentiality of records.**

- 40                  A.     All tax returns filed under this chapter, all data obtained from such  
41                  tax returns, and all financial information obtained from an inspection  
42                  of records in accordance with this chapter are confidential and may  
43                  not be released except upon court order, when necessary to enforce  
44                  the provisions of or to collect the taxes due under this chapter and  
45                  except for inspection by the mayor, the chief fiscal officer, the



municipal attorney, the internal auditor and municipal assessor or the assembly in the performance of their official duties.

- B. Except when necessary to the performance of their official duties to enforce the provisions of or to collect taxes due under this chapter, no person may divulge, without express written permission by the retailer, to another any information, data or financial information of a retailer, a retailer's records or a tax return filed under this chapter unless the person receiving such information, data or financial information is a person authorized by this chapter to inspect the tax return, information, data or financial information.
- C. It is the duty of the chief fiscal officer to safely keep tax returns, all data taken therefrom, and all financial information obtained from an inspection of the retailer's records secure from public and private inspection, except as provided by this chapter.
- D. This section does not prohibit the municipality from compiling and publishing statistical information concerning the data submitted, provided no identification of particular tax returns or retailer information, data or financial information is made.

**12.50.220 Maintenance and inspection of documents and records.**

- A. Every retailer subject to this chapter shall keep a complete and accurate record of all marijuana and marijuana products acquired and sold within the municipality by such person.
- B. It shall be the responsibility of the retailer to obtain and preserve evidence sufficient to support all acquisitions of marijuana and marijuana products and retail sale transactions and allowable deductions subject to this chapter, and all claimed exemptions from payment, collection, or remittance of the retail marijuana sales taxes under this chapter. Specification in this chapter of the records to be kept by a retailer shall not relieve the retailer of its responsibility to keep sufficient records. Unless a longer period is ordered by the chief financial officer under section 12.50.230 or a court of competent jurisdiction, a retailer shall keep and preserve all required records within the municipality for not less than three (3) calendar years after the end of the calendar year in which such records are created and shall make available such records for inspections by the department upon request. Sufficient records shall include, but not necessarily be limited to:
  - 1. Each retail sale of marijuana or marijuana products within the municipality shall be recorded by the retailer and the record shall include, at minimum: the date of sale, the type of marijuana or marijuana product sold, the quantity of marijuana or marijuana products sold, the sales price, the amount of retail sales taxes due on the sale, and the amount and



method of payment received. A comparable receipt of sale shall be offered to each consumer at the time of purchase;

2. As applicable, all periodic statements and records from financial institutions provided to, or available to, the retailer for accounts in which retail marijuana sales taxes were deposited;
3. As applicable, all periodic statements provided to the retailer from credit or debit card processors containing details of consumer payment transactions for retail sales or retail marijuana sales taxes;
4. Books of account, journals, ledgers, and other compilations of source documents that reconcile to total retail sales and retail marijuana sales taxes collected as listed on the tax returns filed with the department under the authority of this chapter;
5. Periodic inventory counts and maintenance of detailed inventory records. Detail must be subtotaled and distinguished between marijuana and marijuana products, which are to be further distinguished by type (i.e., products intended for consumption, such as, but not limited to, edible products, ointments, and tinctures);
6. Marijuana and marijuana product acquisition data; and
7. Sufficient documentation confirming eligibility under section 12.50.070.

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

D. All records and documents required by this chapter to be kept or retained are subject to inspection within the municipality upon demand by the department.

E. The chief fiscal officer or a designee, upon presentation of proper identification, may inspect the records which a person is required to maintain under this section, whether on-site or at an off-site location, or inspect the records of a person whom the chief fiscal officer has probable cause to believe is a retailer or a person subject to this chapter in order to determine whether that person is a retailer or is subject to this chapter.

1. Upon notice of the department's intent to inspect records, a person or retailer subject to this chapter shall retain such records and preserve their availability to the department until released by the department in writing, regardless of whether such retention and preservation continues beyond the three-year period specified in this section.
2. The chief fiscal officer's authority to inspect records shall not be limited to records within the three calendar year retention

period. If a person subject to this chapter has possession or control of records described in this section that are older than the three-year period specified in this section, the person subject to this chapter shall make such records available for inspection upon request.

F. The chief fiscal officer may enter the business premises of a retailer where marijuana or marijuana products are kept or stored, so far as it may be necessary for the purpose of examining such marijuana or marijuana products and the related business records.

G. The department may inspect records required by this chapter of all responsible parties who had control of, or access to, funds collected from consumers of the retailer, and such persons shall be subject to the requirements of this section.

H. Where the Constitution of the United States or of the State of Alaska so requires, the chief fiscal officer shall obtain an administrative search warrant authorizing an inspection and shall exhibit the warrant to the person in charge of the premises before conducting the inspection. The chief fiscal officer shall apply to the trial courts of the State of Alaska to obtain an administrative search warrant, stating in the application the name and address of the premises to be inspected, the authority to conduct the inspection, the nature and extent of the inspection, and the facts and circumstances justifying the inspection. Warrants issued under this section shall be returned to the court by which issued within ten (10) days after the date issued.

#### **12.50.230 Tax avoidance, civil fraud.**

A. If the department has reasonable cause to believe that a retailer or a responsible party for the retailer has structured a retail sale transaction to avoid collecting or remitting the retail marijuana sales tax levied under this chapter, or has wrongfully deceived consumers or the department, the department may take one or both of the following actions:

1. declare there is a rebuttable presumption that the substance of a specific retail sale is a taxable transaction under this chapter and proceed to establish, levy and collect the tax together with costs, penalties and interest as provided for in this chapter; or
2. prepare and file an involuntary return(s) on behalf of the retailer, as provided in section 12.50.170.

B. *Civil fraud.* If the department finds a tax deficiency or part of a tax deficiency is due to fraud, then a penalty shall be assessed against the person committing the fraud. A civil fraud penalty may be assessed against a person in addition to a penalty for failure to file or



failure to pay.

1. Fraud is the intentional misrepresentation of a material fact with the intent to evade payment of tax which the person believed to be owing. The person must have had knowledge of its falsity and intended that it be acted upon or accepted as the truth. The department must prove fraud by a preponderance of the evidence.
2. An intent to evade tax may be demonstrated by any relevant evidence, including but not limited to the following:
  - a. The person provided false explanations regarding understated or omitted acquisitions of marijuana or marijuana products;
  - b. The person provided falsified or incomplete source documents;
  - c. The person has not justified an omission or understatement of a significant amount of acquisitions of marijuana or marijuana products;
  - d. The person substantially overstated a deduction and has failed to justify the overstatement; or
  - e. The person knowingly provided false statements, falsified documents, or falsified evidence to acquire a significant amount of marijuana or marijuana products in a manner that results in the evasion of payment for taxes due under this chapter.
  - f. The person, without possessing valid State and Municipal retail marijuana store licenses, exchanged or bartered, in any manner or by any means whatsoever, for consideration, marijuana or marijuana products to a consumer.**

#### **12.50.240 Tax lien.**

- A. Taxes due and not paid on the date required by this chapter, together with all interest, penalties and costs accruing thereafter, shall immediately become a lien in favor of the municipality upon all of the retailer's real and personal property, including rights to such property. Such lien shall continue until all taxes, penalties, interest and costs due the municipality have been paid, or the lien released in whole or in part.
  1. A separate notice of such lien shall be given each retailer liable for the taxes by mail, and shall be recorded in the

Anchorage Recording District, Third Judicial District, State of Alaska and any other recording district the department may choose.

2. Notice of the lien shall specify the person(s) liable for payment of the tax, the amount of taxes and the date they were due, a statement of the interest, penalties and costs accrued and which may thereafter accrue, the tax period for which the taxes were due and such other information as the department may determine or as may be required by law.

- B. No failure or defect in the notice of lien, except as to amount if different than the recording thereof, shall adversely affect the existence or priority of the lien created under this section to the extent of the correct amount which is the same or less than that stated in the recorded lien.

#### **12.50.250 Collection of taxes, interest, penalties, and costs.**

Taxes, interest, penalties, and costs due under this chapter and unpaid may be collected by any lawful means, including a civil action for the collection of a debt, by executing a claim against security provided under section 12.50.160, by foreclosure of the tax lien in accordance with AS 09.45.170 through 09.45.220 or similar statutes in substitution thereof, or by any combination of the above.

#### **12.50.260 Prohibited acts.**

In addition to other acts and omissions prohibited by this chapter:

- A. No person shall engage in business as a retailer or conduct any exchange or barter for consideration, in any manner or by any means whatsoever, of marijuana or marijuana products to a consumer in the municipality without a proper and current registration under this chapter.
- B. No person shall fail or refuse to pay the tax imposed by this chapter.
- C. A retailer or responsible party shall not advertise or state to the public or to any consumer directly or indirectly that the tax or any part of it will be assumed or absorbed by the retailer, or that the tax will not be added to the retail sale, or that the tax will be refunded except as provided in this chapter.
- D. A retailer or responsible party shall not absorb or fail to add the tax or any part of it or fail to state the tax separately to the consumer.
- E. No retailer or responsible party shall deny the chief fiscal officer, subsequent to proper identification, access to the retailer's required records and inventory of marijuana and marijuana products for



purposes of inspection under this chapter.

F. No person, retailer, or responsible party shall charge or collect in excess of the proper amount of tax due under this chapter.

G. No person, retailer, or responsible party shall fail to make a required remittance to the department of funds collected and to be held in trust for the municipality.

H. A person shall not divert or otherwise appropriate for business or personal use funds required to be held in a fiduciary capacity under this chapter. Use of funds held in a fiduciary capacity under this chapter for any purpose other than the one for which the funds are being held is prohibited. Prohibited purposes under this section include, but are not limited to, using funds held or received in a fiduciary capacity to:

1. pledge as collateral to secure an amount owing;
2. guarantee a contract of surety; or
3. assign.

I. A person required under AMC chapter 12.50 to collect from the consumer and remit to the department a retail marijuana sales tax shall not fail to collect the tax from the consumer at the time of sale, regardless of billing practices, installment agreements, credit procedures, or bad debts.

J. A person shall not prepare and submit to the department a false tax return with the intent to fail to remit taxes due pursuant to this chapter.

K. No person whose certificate is expired, suspended or revoked shall acquire, sell, or offer to sell marijuana or marijuana products or permit marijuana or marijuana products to be sold or offered for sale during the period of the suspension or revocation on any premises occupied or controlled by that person.

L. A retailer shall not sell marijuana or marijuana products **except in transactions authorized by state law** [TO ANOTHER PERSON WHO IS REGISTERED OR IS REQUIRED TO BE REGISTERED UNDER THIS CHAPTER].

M. **[A RETAILER SHALL NOT SELL MARIJUANA OR MARIJUANA PRODUCTS AT A SALES PRICE THAT IS LESS THAN THE COST TO THE RETAILER OF THE MARIJUANA OR THE MARIJUANA PRODUCTS BEING SOLD.]**

**N.]** A person shall not knowingly use, allow or permit the use of real property in the municipality by a retailer for use in conducting its business as a retailer, unless the retailer is properly registered with the department under this chapter. Providing such real property after notice from the department that such provision of real property violates this subsection is prima facie evidence of the violation.

**N [O].** A person shall not knowingly provide advertising, web hosting, or

other marketing services to a retailer in the municipality that is not properly registered under this chapter. Providing such services after notice from the department that such provision of services violates this subsection is prima facie evidence of the violation.

**12.50.270 Interest.**

In addition to any penalties imposed by this chapter, interest at the rate of 12 percent per annum shall accrue daily and be due from the retailer on the unremitted balance of taxes after the date on which their remittance was due.

**12.50.280 Penalties.**

- A. A retailer who fails to file a tax return within seven (7) calendar days following its due date shall automatically incur a civil penalty for each tax return not filed equal to ten percent of the taxes actually due the municipality. A retailer who fails to remit the full amount of any tax due within seven (7) calendar days following its due date shall incur and pay a civil penalty of ten percent of the actual amount of taxes due but remaining unpaid after such date. If a **retailer [PERSON]** fails to pay the full amount of the tax due or file a tax return or report required under this chapter within sixteen (16) calendar days after its due date, each of the aforementioned civil penalties shall be increased from ten percent (10%) to twenty-five percent (25%).
1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.
  2. Notice of the penalties incurred and to be incurred shall be given to the person responsible for payment of the taxes or filing the tax return or report when such tax payment or tax return or report is delinquent for seven (7) calendar days after its due date.
  3. The penalties provided for in this subsection shall be in addition to all other penalties and interest provided for under this chapter.
- B. The department may revoke a certificate of registration issued under this chapter for any violation of this chapter.
- C. If a retailer fails to remit at least ninety-five percent (95%) of the taxes due under this chapter within forty-five (45) calendar days of the due date, the department shall revoke the retailer's certificate of registration issued under this chapter and the retailer shall incur a civil penalty up to and including an amount equal to the unpaid delinquent taxes.
- D. A retailer or responsible party who willfully fails to collect or remit the



1 tax levied by this chapter shall incur a civil penalty equal to twice the  
2 amount of the tax which should have been collected.

3 E. The penalty for a civil fraud, as defined in section 12.50.230, is 200  
4 percent of the deficiency due or \$1,000.00[\$500.00], whichever is  
5 greater. The penalty is computed on the total amount of the  
6 deficiency due. If more than one person is found culpable for the  
7 fraudulent act(s) or omission(s), each person shall be jointly and  
8 severally liable for the penalty under this section.

9 F. A managing member, officer, director, owner or responsible party of  
10 an enterprise engaged in business as a retailer without a certificate  
11 of registration issued under this chapter is personally liable for all  
12 taxes which should have been collected and remitted to the  
13 municipality, plus a penalty equal to twenty-five percent (25%) of the  
14 tax which should have been collected, in addition to all costs, taxes,  
15 interest and other penalties due under this chapter.

16 G. The municipal attorney may petition the court for injunctive relief  
17 against a person engaged in business as a retailer without a  
18 certificate of registration issued under this chapter.

19 H. In addition to any other remedy or penalty provided by this chapter, a  
20 retailer, responsible party or any person who violates or threatens to  
21 violate a provision of this chapter or a valid order of the department  
22 or chief fiscal officer authorized under this chapter, shall be subject  
23 to a civil penalty as described in this section, or injunctive relief to  
24 restrain the person from continuing the violation or threat of violation,  
25 or both such civil penalty and injunctive relief. Upon application by  
26 the municipality for injunctive relief and a finding that a person is  
27 violating or threatening to violate a provision of this chapter or a valid  
28 order of the department or chief fiscal officer authorized under this  
29 chapter, the Superior Court shall grant injunctive relief to restrain the  
30 violation.

31 I. Any person who violates any provision of this chapter shall be liable  
32 for a civil penalty of up to \$1,000.00 for each separate violation.  
33 Where multiple instances of the same violation occur, each instance  
34 shall constitute a separate violation.

35 J. Civil and criminal penalties shall be cumulative remedies and shall  
36 not relieve a retailer, responsible party, or person conducting retail  
37 sales of marijuana or marijuana products of the duties imposed  
38 under this chapter.

39 K. A person who owns or controls the real property where an  
40 unregistered retailer is operating and who, after being notified by the  
41 department that the continued operation of the unregistered retailer  
42 is in violation of this chapter, allows the unregistered retailer to  
43 continue to operate on the property is complicit in a prohibited act



under section 12.50.260 and shall be subject to penalties set forth in this section.

L. A person who provides advertising, web hosting, or other marketing services to a retailer in the municipality not having a certificate of registration under this chapter after receiving notice from the department to cease such services is complicit in a prohibited act under section 12.50.260 and shall be subject to penalties set forth in this section.

M. A person who commits an act prohibited by this chapter is subject to prosecution pursuant to Title 8 of this Code.

#### **12.50.290 Remedies for a person aggrieved.**

A. Any person aggrieved by any action or determination of the department under this chapter may apply to the department and request a hearing before the chief fiscal officer on the department's action or determination within thirty (30) days from the date the department transmits by mail, e-mail, fax, hand delivery or other delivery method notice of the department's action or determination.

1. An application for a hearing must notify the department of the specific action or determination complained of and, if applicable, the amount of tax, interest, cost or penalty contested and the reason for such contest.

2. The uncontested portion of any tax due under this chapter shall be paid when due regardless of any application for a hearing. Payment of the total amount due may be made at any time before the hearing. If the department has reasonable cause to believe that collection of the total amount due might be jeopardized by delay, immediate payment of the total amount may be demanded and the department may pursue any collection remedies provided by law. Payment in full does not affect a person's right to a hearing.

B. Upon timely application for a hearing under subsection A of this section, the chief fiscal officer shall hold a hearing and render a decision or determination in accordance with chapter 3.60 to determine whether a correction or reversal of the department's action or determination is warranted.

1. If a person requesting a hearing fails to appear at the hearing, the chief fiscal officer may issue a decision without taking evidence from that person, unless the person shows reasonable cause for failure to appear within seven days after the date scheduled for the hearing.



C. Within thirty (30) days after receipt of a written decision by the chief fiscal officer, a person aggrieved by the decision may appeal the decision to the Superior Court of the Third Judicial District.

1. The person aggrieved shall be given access to the department's file in the matter for preparation of such appeal.

2. Taxes, costs, penalties, and interest declared to be due in the decision of the chief fiscal officer must be paid within thirty (30) days after the date of the decision or a supersedeas bond guaranteeing their payment must be filed with the court in accordance with Alaska Court Rules of Appellate Procedures.

D. If after the appeal to the Superior Court is heard it appears that the action or determination of the department and/or the decision of the chief fiscal officer was correct, the court shall confirm such action, determination or decision, as the case may be. If the department's action or determination or the decision of the chief fiscal officer's decision was incorrect, the court may determine the proper action, determination or decision. If the person aggrieved is entitled to recover all or part, of any tax due or paid, the court shall order the repayment and the department shall pay such amount within fourteen (14) days and attach a certified copy of the judgment to the payment.

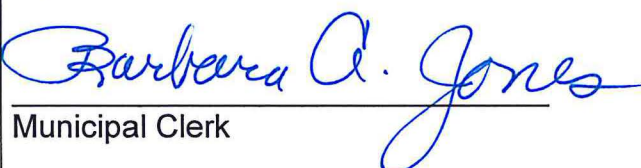
E. Hearings before the chief fiscal officer under this chapter may, at the option of the chief fiscal officer, be conducted by an administrative hearing officer designated by the chief fiscal officer. If the chief fiscal officer refers such matter to an administrative hearing officer, the administrative hearing officer shall conduct the hearing and prepare findings and conclusions. These findings and conclusions shall be forwarded to the chief fiscal officer for adoption, rejection or modification and issuance of a final order or decision by the chief fiscal officer.

**Section 2.** This ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 10th day of May, 2016.

  
Chair of the Assembly

ATTEST:

  
Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 296-2016(A)

Meeting Date: May 10, 2016

**From:** MAYOR

**Subject:** AO 2016-49(S): AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE BY ENACTING CHAPTER 12.50, RETAIL SALES TAX ON MARIJUANA AND MARIJUANA PRODUCTS, TO ESTABLISH THE REQUIREMENTS AND PROCEDURES FOR THE ADMINISTRATION, COLLECTION AND ENFORCEMENT OF THE MARIJUANA RETAIL SALES TAX APPROVED BY THE VOTERS, INCLUDING, BUT NOT LIMITED TO, PROVISIONS REGARDING: DEFINITIONS, TAX RATE, RETAILER REGISTRATION, TAX CREDITS, TAX RETURNS, PROHIBITED ACTS, PENALTIES AND INTEREST, APPLICATION OF PAYMENTS, RECORDS RETENTION, INSPECTION AND CONFIDENTIALITY, TAX REFUNDS, AND TAXPAYER REMEDIES.

This memorandum describes the significant changes made after receiving Assemblymember comments, as compared to the originally submitted AO 2016-49, in accordance with Anchorage Municipal Code section 2.30.050F. The changes are generally for purposes of using consistent terminology, shift rules and restrictions to be more fair to retail marijuana businesses, and streamline procedures and requirements.

The changes in this S-version are:

1. Change the definition of "retailer."
2. Eliminate use of the terms "applicant" and "applicant retailer" and replace with "retailer" or "responsible party for the retailer" as appropriate.
3. Replace the term "person" with "retailer" or "responsible party for the retailer" in several instances.
4. Consolidate proposed subsections AMC 12.50.090A.2. and A.9.
5. Revise the prohibition in proposed AMC 12.50.260L. on selling marijuana or marijuana products to other retailers to prohibit transactions not authorized by state law.
6. Delete the prohibition in proposed AMC 12.50.260M. on selling marijuana or marijuana products at a price less than cost.



**THE ADMINISTRATION RECOMMENDS APPROVAL OF THE S-VERSION.**

Prepared by: Daniel Moore, Municipal Treasurer  
Concur: Robert E. Harris, CFO  
Concur: Lance Wilber, Director, Office of Management and Budget  
Concur: William D. Falsey, Municipal Attorney  
Concur: Michael K. Abbott, Municipal Manager  
Respectfully submitted: Ethan A. Berkowitz, Mayor