

ANCHORAGE, ALASKA
AO No. 2019-99(S), As Amended

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION
2 12.20.031, REGISTERED HOSTING PLATFORMS, AND 12.20.010,
3 DEFINITIONS, TO REQUIRE HOSTING PLATFORMS TO REGISTER, COLLECT,
4 AND REMIT ROOM TAX ON BEHALF OF OPERATORS.
5

6
7 **WHEREAS**, existing code mandates that *if* an online hosting platform enters into a
8 *voluntary agreement* with the Municipality to accept and remit room taxes from a
9 guest, the hosting platform must register with the Municipality and adhere to the
10 procedure set forth under AMC 12.20.031; and
11

12 **WHEREAS**, the United States Supreme Court recently held in *South Dakota v.*
13 *Wayfair, Inc. [Wayfair v. South Dakota]* that a physical presence in a taxing
14 jurisdiction is no longer required for an entity to have a substantial nexus with
15 the jurisdiction; thus, local and state taxing authorities have the authority to
16 *require* online hosting platforms to remit local taxes (without an agreement); and
17

18 **WHEREAS**, this ordinance would require all hosting platforms to register, collect,
19 and remit room tax on behalf of the operators for guests using the platform under
20 the procedures and requirements set forth Chapter 12.20.031; now therefore
21

22 **THE ANCHORAGE ASSEMBLY ORDAINS:**
23

24 **Section 1.** Anchorage Municipal Code section 12.20.031, Registered hosting
25 platforms, is hereby amended to read as follows (*the remainder of the section is not*
26 *affected and therefore not set out*):
27

28 **12.20.031 - Registered hosting platforms.**
29

- 30 A. Registration, collection, and remittance required. Every hosting
31 platform [shall obtain a certificate of registration prior to offering
32 services to operators subject to this chapter. Further, every hosting
33 platform] that agrees to accept room rental payment from a
34 guest pursuant to section 12.20.020, subject to exemption rules
35 specified in section 12.20.031A.1., shall obtain a certificate of
36 registration prior to offering services to operators subject to this
37 chapter, and shall collect room tax [from all guests] and remit the
38 tax to the department on behalf of all operators for which it provides
39 this service[s]. [This does not apply to branded hosting
40 platforms used exclusively for a particular hotel brand and its

affiliates.] [EVERY HOSTING PLATFORM THAT AGREES TO
ACCEPT PAYMENT OF ROOM TAX FROM A GUEST PURSUANT
TO SECTION 12.20.020 AND FURTHER AGREES TO REMIT THE
TAX TO THE DEPARTMENT ON BEHALF OF THE OPERATOR
SHALL OBTAIN A CERTIFICATE OF REGISTRATION PRIOR TO
OFFERING SERVICES TO OPERATORS SUBJECT TO THIS
CHAPTER.]

1. Exemptions.

a. The following rules apply to exemptions from subsection A:

i. Branded hosting platforms used exclusively for a particular hotel
brand and its affiliates are exempt from registration.

ii. Tour companies, travel booking agents, and wholesale room
sellers are exempt from room tax collection and remittance to the
department for each room rental transaction meeting the
following criteria:

(A) Sales of room nights for stays at an operator's individual
property with 10 or more rooms that is properly registered with
the municipality, per the treasury division's online published
list of registered operators; and

(B) Collection of room tax and payment of funds to the registered
operator, either through direct transfer or subsequent billing
from the registered operator.

b. Any hosting platform subject to subsection A that is wholly involved
in room rental transactions covered by this subsection A.1. shall not
be required to register, collect, and remit room tax to the department.

*** *** ***

(AO No. 2016-66, § 2, 6-21-16)

Section 2. [Note: new AO section in the S-version] Anchorage Municipal Code
section 12.20.010, Definitions, is hereby amended to read as follows (*other
definitions in the section are not affected and therefore not set out*):

* * *

Hosting platform means a person or entity that provides a means through which an
operator may offer a room for rent. This service is usually provided through an online
platform and generally allows an operator to advertise a room for rent through a
website provided by the hosting platform, and provides a means for a guest to **pay**
rent **for** the room[, ~~WHETHER THE GUEST PAYS RENT DIRECTLY TO THE
OPERATOR OR TO THE HOSTING PLATFORM~~].

* * *

(GAAB 10.20.010; AO No. 84-40; AO No. 86-210; AO No. 96-103, § 1, 4-1-97; AO.
No. 97-3, § 1, 4-1-97; AO No. 97-68(S), §§ 1, 2, 5-6-97; AO No. 2003-102, § 2, 7-
15-03; AO No. 2003-165, § 1, 12-17-03; AO No. 2012-105(S), § 1, 12-18-12; AO
No. 2016-66, § 1, 6-21-16)

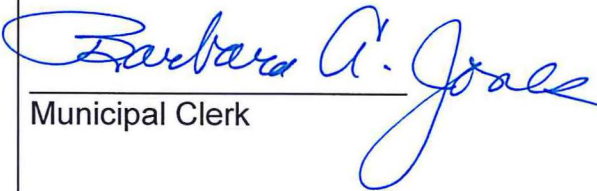
1 **Section 3.** This ordinance shall be effective immediately upon passage and
2 approval by the Assembly.
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4
5 PASSED AND APPROVED by the Anchorage Assembly this 20th day of August,
6 2019.
7

8
9
10 

11 _____
Chair

12 ATTEST:

13
14 
15 _____
16 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 537-2019(A)

Meeting Date: August 20, 2019

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE**
4 **SECTION 12.20.031, REGISTERED HOSTING PLATFORMS, AND**
5 **12.20.010, DEFINITIONS, TO REQUIRE HOSTING PLATFORMS**
6 **TO REGISTER, COLLECT, AND REMIT ROOM TAX ON BEHALF**
7 **OF OPERATORS.**
8

9 This memorandum describes the significant changes recommended compared to
10 the originally submitted AO 2019-99, in accordance with Anchorage Municipal
11 Code section 2.30.050E.
12

13 The changes in this S-version are:
14

- 15 1. Clarify the Municipality's interpretation of the effect of the *South Dakota v.*
16 *Wayfair, Inc.* decision.
17
- 18 2. Narrow a hosting platform's registration, collection, and remittance
19 requirement as follows:
20
 - 21 a. The requirement only applies to hosting platforms who agree to
22 accept payment from a guest on behalf of its operators;
23
 - 24 b. If a hosting platform offers both payment-acceptance services and
25 non-payment-acceptance services to its operators, the hosting
26 platform is only required to collect and remit room tax on operators
27 for which it provides payment-acceptance services; and
28
 - 29 c. Clarify that the registration does not apply to branded hosting
30 platforms used exclusively for a particular hotel brand and its
31 affiliates (e.g., Marriott, Hilton).
32
- 33 3. Amend the definition of Hosting Platform to remove the statement
34 "whether the guest pays rent directly to the operator or to the hosting
35 platform," which brings the definition into alignment with the amendments
36 in 12.20.031.
37

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

39

40 Prepared by: Daniel Moore, Municipal Treasurer
41 Approved by: Alexander Slivka, CFO
42 Concur: Lance Wilber, Director, Office of Management and
43 Budget
44 Concur: Rebecca A. Windt Pearson, Municipal Attorney
45 Concur: William D. Falsey, Municipal Manager
46 Respectfully submitted: Ethan A. Berkowitz, Mayor