

**PETERSBURG BOROUGH
ORDINANCE #2019-09**

**AN ORDINANCE AMENDING CHAPTER 4.28, "SALES TAX", OF THE BOROUGH CODE TO
CLARIFY THAT SALES OF MARIJUANA AND MARIJUANA PRODUCTS TO NON-PROFIT
ORGANIZATIONS AND SENIOR CITIZENS ARE SUBJECT TO THE BOROUGH SALES TAX.**

Whereas, in Chapter 4.28, Sales Tax, sales of alcoholic beverages and tobacco products are subject to taxation, including sales to nonprofit organizations (PMC 4.28.120(W)) and senior citizens (PMC 4.28.130(B)(1)); and

Whereas, the sale of marijuana and marijuana products is now legal within the State of Alaska, pursuant to state law and regulation, and there are now sales of marijuana and marijuana products occurring within the Borough; and

Whereas, marijuana and marijuana products fall within the same category of goods as alcoholic beverages and tobacco products, which the Borough has previously determined to be subject to taxation regardless of the identity or type of buyer, and the Assembly wishes to clarify that sales of marijuana and marijuana products are similarly taxable.

Therefore, the Petersburg Borough Ordains, Chapter 4.28, Sales Tax, of the Borough Code shall be amended.

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to amend the Borough Code to specifically clarify that sales of marijuana and marijuana products, along with alcoholic beverages and tobacco products, are subject to the Borough Sales Tax when sold to non-profit organizations and senior citizens.

Section 3. Substantive Provisions: Sections 4.28.020 – *Definitions*, 4.28.120(W) – *Exemptions*, and 4.28.130(B)(1) – *Senior Citizen Exemption* of Chapter 4.28 - Sales Tax, of the Petersburg Borough Municipal Code are hereby amended as follows (The language proposed for addition is in bold and underlined):

4.28.020 Definitions

"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 which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.

"Marijuana products" means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption such as, but not limited to, edible products, ointments, and tinctures.

4.28.120 – Exemptions

W. Sales to a qualified nonprofit organization that has obtained and presented to the seller at the time of sale a certificate of exemption from the finance director. A nonprofit organization's certificate of exemption does not exempt the sale of alcoholic beverages, marijuana or marijuana products, or tobacco products from sales tax; ...

4.28.130 – Senior citizen exemption

B. No person issued or authorized to use a senior citizens sales tax exemption card may use it to obtain a sales tax exemption for:

1. The purchase of alcoholic beverages, marijuana or marijuana products, or tobacco products; ...

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective immediately upon final passage.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this _____ day of _____, 2019.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Noticed:
Effective: