

**PETERSBURG BOROUGH
ORDINANCE #2018-01**

**AN ORDINANCE AMENDING PETERSBURG MUNICIPAL CODE SECTION 4.28.130,
SENIOR CITIZEN EXEMPTION, TO AUTHORIZE COLLECTION OF AN APPLICATION FEE
IN ORDER TO COVER THE ADMINISTRATIVE COST OF PROCESSING, ISSUING, AND
MONITORING OF SENIOR CITIZEN SALES TAX EXEMPTION CARDS**

WHEREAS, the Petersburg Borough Assembly has determined that imposition of an application fee is necessary in order to collect, from those applying for a senior citizen sales tax exemption card, a sufficient sum to pay the administrative costs of processing, issuing and monitoring such cards.

THEREFORE THE PETERSBURG BOROUGH ORDAINS as follows:

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

Section 2. Purpose: The purpose of this ordinance is to amend Section 4.28.130, Senior Citizen Exemption, of the Borough Code to provide an administrative fee for the processing and issuance of annual senior citizen sales tax exemption cards.

Section 3. Substantive Provisions: Section 4.28.130 of the Petersburg Borough Municipal Code Chapter 4.28, Sales Tax, shall be added to read as follows:

4.28.130 - Senior citizen exemption.

A sale to a qualified senior citizen is exempt from borough sales tax in accordance with the provisions of this section.

A. For purposes of this section:

1. A qualified senior citizen is a person who has obtained and maintained a senior citizen tax exemption card. A person is eligible to receive a tax exemption card if the person (i) is 65 years of age or older, (ii) has their permanent place of abode within the Petersburg Borough, (iii) has resided within the Petersburg Borough for at least one year immediately preceding the date of application and intends to remain in the Petersburg Borough indefinitely and to make a home in the Petersburg Borough and (iv) was physically present in the Borough a minimum of 185 days in the 12-month period immediately preceding the date of application. A person demonstrates residency under this subsection by maintaining a principal place of abode in the borough, by maintaining a valid driver's license or valid voter registration card with a residence within the borough, or by providing other proof of residency within the borough boundaries acceptable to the finance director, including demonstrating eligibility for a permanent fund dividend under AS 43.23.005 at a residence within the borough. ~~A qualified local resident may apply for and be issued by the finance director, or director's designee, a senior citizen sales tax exemption card free of charge. The card is only valid while residency is maintained within the borough boundaries.~~

2. ~~Reserved.~~ A non-refundable application fee of \$100 shall be collected by the finance director, or the director's designee, from those applying for a senior citizen sales tax exemption card. An exemption card issued under this section shall be valid for the remainder of the calendar year in which it is issued, and shall expire automatically on December 31 of the year of issuance, unless sooner terminated due to applicant's lack of continued compliance with the residency requirements imposed under paragraph (1) above.
 3. A senior citizen sales tax exemption card entitles the card holder to be exempted from borough sales tax, subject to the limitations expressed in the balance of this section.
 4. It is the responsibility of the senior citizen to present their sales tax exemption card to local merchants prior to each exempt sale being finalized. Merchants shall keep a record of all senior citizen exempt sales.
- 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 or tobacco products; or
 2. When the goods or services purchased are for use in any trade or business; or
 3. For purchases for which the card holder is reimbursed or remunerated by a person or entity on whose behalf the purchase was made and who would not otherwise qualify for a sales tax exemption.
- C. No person who has not applied for and received an exemption card may use it to obtain tax exemption. However, in the case where a person is physically unable to leave their home or dwelling to use the card, and proof of physical disability is documented by a physician, the finance director or director's designee may issue a special card authorizing another person to use the special card for the benefit of the person physically disabled. The physically disabled senior may be requested to return their tax exempt card before a new card is issued to a caregiver. The exemption card issued to the caregiver is good for a period of six months and at the end of each six-month period the card must be renewed.
- D. A representative of the senior citizen's nutrition program may obtain from the finance director's office a sales tax exempt card which entitles the representative to purchase goods and/or services for the exclusive use of the senior citizen's nutrition program exempt from the borough's sales tax. No seller within the borough shall charge or collect taxes from the senior citizen's nutrition program representative who displays to him such a valid tax exempt card.
- E. An exemption card which is lost or stolen shall be immediately reported to the finance director. There shall be a replacement card administrative fee of \$25.
- F. 1. Any person who violates any provision of subsections A. through D. of this section is guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed one hundred dollars.
2. The use of a senior citizen sales tax exemption card in any manner not allowed by this section, shall constitute a violation of the borough code by the card holder (unless the card was reported lost or stolen under subsection E.) and by any person using the card, and shall be punishable by a civil penalty of \$100.00 per violation. The violator(s) are also responsible for any tax which would otherwise have been due, plus interest and penalties thereon, and related administrative costs. If a penalty imposed is not paid, it may be collected in a civil action brought by the borough.

3. A senior citizen sales tax exemption card issued to a card holder who has violated the provisions of this section shall be void and shall be forfeited to and canceled by the finance director.

([Ord. No. 2013-1, § 3, 2-4-2013, eff. 4-1-2013](#) ; [Ord. No. 2014-13, § 3, 8-4-14, eff. 1-1-15](#) ; [Ord. No. 2014-16, § 3, 8-4-14, eff. 1-1-15](#))

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 of other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective January 1, 2019.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this _____ day of _____, 2018.

Mark Jensen, Mayor

Attest:

Debra K. Thompson, Borough Clerk

Adopted:
Published:
Effective: