

Introduced by: Council Member Hippler  
Introduction Date: April 13, 2010  
Public Hearing: April 27, 2010  
Action: Tabled Indefinitely  
Vote:

## *CITY OF BETHEL, ALASKA*

### **Ordinance #10-11**

#### **WATER SHUT OFF FOR NON-PAYMENT OF CITY SALES TAX**

**WHEREAS**, the operations and general fund of the City of Bethel are financed through the collection of sales tax, remitted by local businesses;

**WHEREAS**, BMC 4.16.180 states the penalty for delinquent returns is three and one-half percent of the taxes; due and that the penalty shall be imposed for each month or part of a month during which the delinquency or failure to file up to a maximum of 17.5%;-

**WHEREAS**, many businesses within the City of Bethel are continuously delinquent on their sales tax;

**WHEREAS**, the City lacks an effective way of enforcing the timely remittance of city sales tax from businesses that are delinquent in sales tax; –

**WHEREAS**, the City of Bethel provides water services to houses and businesses within the City;

**WHEREAS**, BMC 13.04.270 Water service, states "within fifteen days after an account has become delinquent water will be turned off if the delinquent account is not paid in full prior thereto";

**WHEREAS**, providing an alternative to enforcement, which will directly obstruct day-to day operations of the delinquent businesses will undoubtedly insure responsive action on the part of the delinquent businesses owner;

**WHEREAS**, to aid the finance department in the collection of delinquent sales tax remittance from businesses, a utility water shut off notice to said delinquent business owners will insure good effort on the part of the delinquent business owner to remit the sales tax owed to the City.

**THEREFORE BE IT ORDAINED** by the City Council of Bethel, Alaska, that:

**SECTION 1. Classification.** This ordinance is of permanent nature and shall be codified within the Bethel Municipal Code.

**SECTION 2. Amendment.** The Bethel Municipal Code Chapter 4.16 is amended to include Section 4.16.330 Delinquent list;

**4.16.330 Delinquent list**

The city shall maintain an accurate list of businesses that are in violation of this chapter by reason or failure to file a return or failure to remit or collect taxes which should have been remitted or collected. Within ninety (90) days of a business being added to the list, the city shall provide written notice via certified mail to the business of the city's intent to terminate their eligibility for municipal water utilities if the delinquency is not cured within thirty (30) days of the mailing of the notice. The termination of water utilities shall occur at each business location, even if the services of that location are in someone else's name. Services may be denied until the delinquency is cured in full. The notice shall also include the name and telephone number of the individual to contact if the delinquency is contested, and notice of the availability of an informal hearing as outlined in BMC 4.16.200 to resolve contested matters prior to the proposed date for termination of services.

**SECTION 2. Effective Date.** This ordinance shall take effect thirty (30) days following its passage and approval of the city council.

**ENACTED THIS \_DAY OF \_2010, BY A VOTE OF \_IN FAVOR AND \_OPPOSED.**

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Joseph Klejka, Mayor

ATTEST:

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Lori Strickler, City Clerk