



# CITY OF BETHEL

P.O. Box 388 Bethel, Alaska 99559  
907-543-2297  
FAX # 543-4171

## ORDINANCE #96-24

*Introduced by: The Finance Committee*

*Date: May 28, 1996*

*Public Hearing Date: June 11, 1996*

*Action: Adopted*

*Vote: 6-Yes, 0-No*

**AN ORDINANCE AMENDING SECTION 4.16.020 OF THE BETHEL, MUNICIPAL CODE TO EXCEPT THE SALES OF GAMES OF SKILL AND CHANCE FROM SALES TAX AND AMENDING. CHAPTER 5.04 OF THE BETHEL MUNICIPAL CODE TO REQUIRE SELLERS OF GAMES OF SKILL AND CHANCE TO OBTAIN A BUSINESS LICENSE AND PAY A LICENSE FEE OF 3.75% OF THEIR GROSS RECEIPTS**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF BETHEL, ALASKA:**

Section 1. Classification This is a code ordinance.

Section 2. No Waiver Of Past Violations. Neither the adoption of this ordinance or or amendments hereby of any ordinance or part or portion of any ordinance shall in any manner affect the prosecution for violations of ordinances which violations were committed prior to the effective date hereof, nor be construed as a waiver of any license, fee, or penalty at said effective date due and unpaid under such ordinances nor be construed as affecting any of the provisions of such ordinances, relating to the collection of any such license, fee, or penalty, or the penal provisions applicable to any violation thereof.

Section 3. Severability. If any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in the controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this ordinance or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 4. Legislative Findings. The City Council finds that different treatment of sales of games of skill and chance for tax purposes from other sales made in the City is justified because:

A. Games of skill and chance are operated by nonprofit entities in order to raise funds for the activities of the nonprofit entity operating the games of skill and chance.

B. The funds raised by nonprofit entities through the sales of games of skill and chance are returned to the citizens of Bethel for the general public good through charitable activities including donations of goods and services to the needy, educational scholarships for Bethel residents and special projects that benefit all citizens of Bethel.

C. It is administratively impractical to collect sales tax on games of skill and chance by adding the sales tax to the selling price of the game as currently required by BMC

4.16.050 because of the manner in which these games are sold and because a large number of the purchasers of games of skill and chance are exempt from payment of sales tax.

D. The administrative burden of tax collection and remittance will be decreased if sellers of games of skill and chance are required to pay a business license fee based on their gross receipts and the sales of games of skill and chance are excepted from sales tax.

E. The public good is served through elimination of the administrative burden of collection of sales tax from the nonprofit entities selling the games of skill and chance.

Section 5 Amendment of Section 4.16.020(B). Section 4.16.020 of the Bethel Municipal Code is hereby amended by adding a new subsection 18. The new subsection 18 shall read as follows:

18. Games of Skill and Chance; the sales of games of skill and chance.

Section 6. Amendment of Chapter 5.04. Section 5.04.010 of the Bethel Municipal Code is hereby amended to read as follows: (new text is underlined):

5.04.010 Business defined.

In this chapter, unless the context otherwise requires, "business" includes all activities or acts, personal, professional or corporate, engaged in or following or engaging in a trade profession or business (including receipts from advertising services, rental of personal or real property, construction, processing, manufacturing, fisheries business, Liquor license, insurance businesses, mining and coin-operated amusement and gaming machines, but excluding fishermen), calling or vocation, with the object of financial pecuniary gain, profit or benefit, either direct or indirect, and not exempting subactivities producing marketable commodities or services used or consumed in the main business. The giving or supplying of services as an employee and furnishing in those transactions, does not constitute "business" under the meaning of this chapter however, the selling of games of skill and chance even if done by nonprofit organizations, does constitute "business" under the meaning of this chapter.

Section 7. Amendment of Section 5.04.040. Section 5.04.040 is hereby amended to read as follows: (new text is underlined):

5.04.040 Fee.

The license fee for each business except the business of selling games of skill and chance shall be ten dollars for the calendar year or any part thereof.

Section 8. Addition of Section 5.04.045. Chapter 5.04 of the Bethel Municipal Code is hereby amended by adding a new section 5.04.045 to read as follows:

Introduced by: The Finance Committee  
Date: May 28, 1996  
Public Hearing Date: June 11, 1996  
Action: Adopted  
Vote: 6-Yes, 0-No

5.04.045---License Fees for Businesses Selling Games of Skill and Chance.

The license fee for each business selling games of skill and chance shall be 3.75 per cent of the gross proceeds from sales of games of skill and chance and shall be paid as follows:

A. Operators of games of skill and chance licensed by the State of Alaska pursuant to AS 5.15.010, et seq., shall pay the fee on a quarterly basis on or before the last day of the month following each calendar quarter. The fee shall be accompanied with a Copy of the report submitted to the State pursuant to AS 5.15.083 or any successor statute or regulation.

B. Qualified organizations authorized to conduct games of skill and chance by the State of Alaska pursuant to AS 5.15.010, et seq., who do not make use of a licensed operator shall pay the fee on a quarterly basis by the 45th day following each calendar quarter in which their gross receipts equaled \$50,000 or more. If gross receipts do not exceed \$50,000 for any quarter the fee shall be paid on an annual basis on or before March 15 of each year. Payment of the fee shall be accompanied with a copy of the quarterly or annual report filed with the State of Alaska pursuant to AS 5.15.080 or any successor statute or regulation.

Section 9. Amendment of Section 5.04.080. Section 5.04.080 of the Bethel Municipal Code is hereby amended to read as follows (new language is underlined):

5.04.080 Failure to obtain.

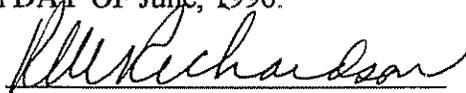
If a person engaged in a business fails to file a business license application, or fails to file any report or fails to pay the fee as prescribed by this chapter, such person shall in addition to payment of the required fee be subject to a fine of \$100.00.

Section 10. Amendment of Section 5.04.090. Section 5.04.090 of the Bethel Municipal Code is hereby amended by adding a new subsection E to read as follows:

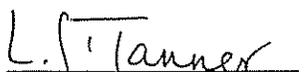
E. Fail to pay the required fee.

Section 11. Effective Date. This ordinance shall be effective upon passage.

PASSED AND APPROVED THIS 11th DAY OF June, 1996.

  
Ruth M. Richardson, Mayor

ATTEST:

  
L.J. Tanner, City Clerk