

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2026-07**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE SECTION 4.16.010 TO CLARIFY DEFINITION OF PHYSICAL PRESENCE FOR BUSINESS LICENSE REQUIREMENTS**

WHEREAS, The Remote Sellers Agreement declares that the Alaska Remote Seller Sales Tax Commission will manage all sales tax reports for businesses that do not have a physical presence in Dillingham. Our Business License requirement then should be restricted to all businesses that do have a physical presence in Dillingham; and

WHEREAS, DMC 4.23.030 defines “physical presence” means a seller who establishes any one or more of the following within a local taxing jurisdiction:

1. Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the local taxing jurisdiction;
2. Solicits business or receives orders through any employee, agent, salesman, or other representative within the boundaries of the local taxing jurisdiction or engages in activities in this state that are significantly associated with the seller's ability to establish or maintain a market for its products in this state;
3. Provides services or holds inventory within the boundaries of the local taxing jurisdiction;
4. Rents or leases property located within the boundaries of the local taxing jurisdiction.

A seller that establishes a physical presence within the local taxing jurisdiction in any calendar year will be deemed to have a physical presence within the local taxing jurisdiction for the following calendar year;

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

**Section 1. Classification.** This is a code ordinance.

**Section 2. Amendment to Section 4.16.010.** Dillingham Municipal Code Section 4.16.010 is hereby amended to read as follows [new language **underlined and bolded** and deleted text displayed in ~~strike-out font~~]:

**4.16.010 General.**

...

~~In order to operate a business within the city, it is necessary to obtain a Dillingham business license.~~ This chapter shall be known as the Dillingham Business License Ordinance.

**In order to operate a business within the City, a person or entity with a physical presence within the City, including having an employee, agent, salesperson, or other representative in the City (even temporarily), shall obtain a Dillingham business license.**

**For purposes of this chapter, “physical presence” shall have the same meaning as provided in DMC 4.23.030.**

**A person or entity that does not have a physical presence within the City is not required to obtain a business license under this chapter but makes or facilitates sales or provides remote services is subject to the provisions of Chapter 4.23 (Tax on Sales Made by Remote Sellers), as applicable.**

(Ord. 92-13 § 1 (part), 1992)

...

**Section 3. Severability.**

If any section, subsection, sentence, clause, or phrase of this ordinance is held invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

**Section 4. Effective Date.** This ordinance is effective January 1st of 2027.

PASSED AND APPROVED by the Dillingham City Council on the \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
Abigail Flynn, City Clerk