



**CITY OF KOTZEBUE, ALASKA
ORDINANCE NO. 24-06**

ENTITLED: “A CODE ORDINANCE ADDING A NEW SECTION TO THE KOTZEBUE MUNICIPAL CODE (“KMC”) CONFIRMING AND AUTHORIZING THE USE OF ALASKA MUNICIPAL LEAGUE’S (“AML”) SERVICES TO COLLECT, REMIT, ENFORCE AND ADMINISTER KMC CHAPTER 3.20, SALES TAX, FOR THE CITY OF KOTZEBUE (“CITY”).”

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF KOTZEBUE, ALASKA:

- Section 1.** This is a Code Ordinance pursuant to KMC 1.12.010 and KMC 1.12.040.
- Section 2.** The City of Kotzebue has been a member of AML for several decades and in recent years has successfully used the Alaska Remote Sellers Sales Tax Commission (“ARSSTC”) to collect, remit, enforce and administer the City’s 6% sales tax, KMC Chapter 3.20 on remote sales.
- Section 3.** The City now wishes also to use AML Shared Services Sales Tax Collection Service (“STCS”) to collect, remit, enforce and administer the City’s 6% sales tax on all local sales transactions as set forth in Exhibit “A” attached hereto.
- Section 4.** To effectuate and codify the City’s ability to use these AML services, the following new section 3.20.025, Use of Third-Party Services, which shall read as follows:

3.20.025 Use of Third-Party Services

The city may use the services of the Alaska Municipal League (“AML”) Alaska Remote Sellers Sales Tax Commission (“ARSSTC”) to collect, remit, enforce and administer the City’s 6% sales tax, KMC Chapter 3.20 on remote sales and use the AML Shared Services Sales Tax Collection Service (“STCS”) to collect, remit, enforce and administer the City’s 6% sales tax on all local sales transactions.
(Ord. 24-06, § 4 (part), 2024)

Section 5. This use of these AML services is anticipated to increase the collection and remittance of sales taxes that are currently due and owing, but remain uncollected.

Section 6. This new section KMC 2.12.010 shall become effective immediately upon passage of this Ordinance 24-04 pursuant to 1.12.030(B).

ENACTED this 19th day of September, 2024.

CITY OF KOTZEBUE

Saima Chase, Mayor

[SEAL]

ATTEST:

Paeton Schaeffer, City Clerk

ATTESTATION: I, Paeton Schaeffer, City Clerk of Kotzebue, hereby attest that the above Code Ordinance, No. 24-06 was duly presented to the Kotzebue City Council, duly published and that a valid public hearing was held and that it was duly enacted on September 19, 2024.

Introduction: September 5, 2024
Published/Posted: August 30, 2024
Republished/Reposted: September 13, 2024
Public Hearing: September 19, 2024
Passage: September 19, 2024





Shared Services from the Alaska Municipal League

Our goal is to help strengthen local governments who may not otherwise have access to or capacity for these services independently. Let us work with you to take the pressure off of your budgets and bring peace of mind to your staff and municipal officials.

[« back to Shared Services Overview](#)

Sales Tax Collection Services: for Local Governments

REVENUE WITHOUT THE HASSLE

AML's Sales Tax Collection Service (STCS) is intended to help your community administer sales tax collection by reducing your staff time and increasing compliance.

PARTICIPATION BENEFITS

- No required changes to local sales tax code
- Collection for all local sales taxes including alcohol tax, bed tax, car rental tax, marijuana tax
- Continuity of community's filing frequency guidelines
- City staff can focus on other duties
- Online filing platform accessible to businesses 24-7
- Increased sales tax collection compliance which results in increased sales tax revenue
- Online filing platform requires payment in full, ensuring full collection
- Businesses can still send in physical returns and payments through the mail
- City staff have access to online filing portal to view administrative reports 24-7

COMMUNITY WILL

- Send a list of active registered businesses to STCS

- Confirm late filing fee, interest, and penalty rates and rules
- Confirm local exemption certificate rules and procedures

OUR STAFF WILL

- Set up accounts for each registered business in online filing portal
- Send an initial letter to each registered businesses notifying them of the city's participation in the STCS.
- Provide businesses with online filing portal login information
- Track all account balances and follow up with business as appropriate
- Administer business licenses and renewals
- Administer exemption certificates
- Once a month, send the community sales tax remittance and a report for all tax filings
- Notify and pursue delinquent filers
- Provide sales tax expertise to assist city staff with sales tax related questions

Program Pricing

Participation in the STCS program requires a one-time implementation fee of \$4,000. The city is also charged a 2.5% fee on all revenues processed through the online portal.

The \$4,000 implementation fee covers:

- Customized online sales tax return within the filing portal
- Customized online business registration (or business license) form and certificate within the filing portal
- Programming of the city's existing tax rate(s), exemption categories, late fees, penalties, interest and early filing compensation

The 2.5% fee covers:

- AML administrative fee of 0.5%
- Ongoing portal processing and support fee of 2.0%