

CITY OF THORNE BAY  
ORDINANCE 18-01-16-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, AMENDING TITLE 3-REVENUE & FINANCE, ADDING SECTION 3.17.085- FORGIVENESS OF PENALTIES, AND INTEREST ON DELINQUENT TAXES, AMENDING SECTION 3.17.190 FORGIVENESS OF UNCOLLECTED TAXES, PENALTIES AND INTEREST

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA:

- Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.
- Section 3. Amendment of Section. The title and chapter of Title 3-Revenue & Finance, adding Section 3.17.085- Forgiveness of penalties and interest on delinquent tax, and amending Section 3.17.190 Forgiveness of uncollected taxes, penalties and interest; is hereby amended.
- Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED January 16, 2018

*for* Robert Hartwell  
James Gould, Mayor

ATTEST:

Teri Feibel  
Teri Feibel, CMC

[Introduction: January 2, 2018]  
[Public Hearing: January 16, 2018]

**ADDITIONS ARE BOLD AND CAPITALIZED**

~~deletions are stricken~~

**Title 3-Revenue and Finance**

**Chapter 3.17-Sales Tax**

**3.17.080 Penalty and interest on delinquent taxes.** (a) In the event a seller fails or neglects to file a return when due, or fails to remit taxes collected, or which should have been collected, in a timely manner as required by this chapter, then such return and tax is delinquent and the revenue collector shall add thereto penalties as follows:

- (1) Within five working days after delinquency date 6%
- (2) More than five working days up to and including thirty days after delinquency date 15%
- (3) More than thirty days up to and including sixty days after delinquency date 20%
- (4) More than sixty days after delinquency date 25%

(b) Interest shall accrue on the unpaid tax, not including penalty, from the date of delinquency to the date of payment at the rate of one percent per month.....

**ADDING: 3.17.085 Forgiveness of penalties and interest on delinquent taxes.**

**THE CITY ADMINISTRATOR, WITH THE CONSENT OF THE MAYOR, MAY FORGIVE THE PAYMENT OF PENALTIES AND INTEREST ASSESSED ON DELINQUENT TAXES, UPON A DETERMINATION BY THE CITY**

**ADMINISTRATOR THAT THE FAILURE TO FILE TAXES IN A TIMELY MANNER, AS REQUIRED BY THIS CHAPTER, WAS DUE TO CIRCUMSTANCES OUT OF THE TAX PAYERS CONTROL.**

**AMENDING: 3.17.190 Forgiveness of uncollected taxes, tax penalties and interest.** (a)

The City Administrator, with the consent of the Mayor ~~and council~~, may forgive the payment of uncollected sales taxes, interest and penalty thereon and penalties for failure to file owing by a seller to the city upon a determination by the City Administrator that such uncollected sales taxes have never been collected by a substantial portion of a clearly definable class of sellers or which have never been collected on a substantial portion of a clearly defined class or type of transaction or service. (b) The City Administrator may, upon recommendation of the Mayor ~~and City Council~~, authorize forgiveness of uncollected sales taxes, interest and penalty thereon and penalties for failure to file, as part of the compromise and settlement of a disputed claim in an action for collection of such funds. (c) The City Administrator, with the consent of the Mayor ~~and City Council~~, may ~~onetime~~ forgive the payment of uncollected sales taxes, interest, and penalty thereon and penalties for failure to file owing by a seller to the city upon a determination by the city administrator that such uncollected sales taxes are the result of a family OR medical hardship. (Ord. 17-03-21-02)

**POLICY AND PROCEDURES FOR FORGIVENESS OF  
SALES TAX PENALTIES, INTEREST OR UNCOLLECTED TAXES**

**Forgiveness Procedures.** Forgiveness procedures are a tool that may give a person filing an appeal for relief from an administrative decision based off the strict enforcement of the Thorne Bay Municipal Code (TBMC) or Thorne Bay Procedures or Rules and Regulations.

These procedures will be used to assess, approve, deny, or approve with modifications the requested relief as submitted in the appeal per TBMC, Section 3.17.200.

- A. The Mayor, City Clerk, the City Administrator, and the aggrieved party shall meet to discuss the request as submitted. All decision shall take into concertation the following items in determining if there are any extenuating circumstances that may indicate that some relief or forgiveness is justifiable.
  1. Any approval or modification of the request must be based on evidence that can substantiate the decision.
  2. Has new evidence been provided by the aggrieved party or the City?
  3. Have all other avenues within the TBMC, Procedures or Rules and Regulations been reviewed?
  4. Is there any evidence that staff have acted outside the TBMC, TB Procedures or TB Rules and Regulations?
  5. Is the relief being sought the result of the party seeking relief or the result of a third party outside the control of the city or aggrieved party?
  6. Could the issue have been avoided had the aggrieved party taken prior action?
- B. If there is no consensus for approving, or approving with modifications, the relief as requested then it is recommended to the aggrieved party that the next step in the Forgiveness Procedure is to:
  1. File a request with the City Clerk to have the City Council considers the request for relief.

The City Council to consider the same questions posed in par