

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2026-16

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 4 “REVENUE AND FINANCE” OF THE SITKA GENERAL CODE BY AMENDING CHAPTER 4.25 “SALES TAX”, SECTION 4.25.330 “SECURITY – LIMITATIONS – SALES OF SECURITY DEPOSIT AT AUCTION – BOND”

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code (SGC).

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to permit the City and Borough of Sitka to require that a business owner shall provide a personal guaranty and assumption of liability for the payment of sales tax for any and all entity types.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4, entitled “Revenue and Finance”, Chapter 4.25, entitled “Sales Tax”, Section 4.25.330 entitled “Security – Limitations – Sales of security deposit at auction – Bond”, be amended to read as follows (deleted language stricken, new language underlined):

Title 4
REVENUE AND FINANCE

Chapters :

4.25 Sales Tax

Chapter 4.25
SALES TAX

Sections:

4.25.330 Security – Limitations – Sales of security deposit at auction – Bond.

A. The city and borough of Sitka may require a retailer to deposit with the city and borough of Sitka security in a form and amount that the city and borough of Sitka determines is appropriate. The deposit may not be more than twice the estimated average liability for the

53 period for which the return is required to be filed or \$10,000, whichever is less. The amount of
54 security may be increased or decreased by the city and borough of Sitka, subject to the
55 limitations provided in this section.

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57 B. If necessary, the city and borough of Sitka may sell at public auction property deposited as
58 security to recover a sales tax or use tax amount required to be collected, including interest and
59 penalties. Notice of the sale must be served personally on or sent by certified mail to
60 the person who deposited the security. After the sale, any surplus above the amount due that is
61 not required as security under this section must be returned to the person who deposited the
62 security.

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64 C. In lieu of security, the city and borough of Sitka will require a retailer to file a bond issued by
65 a surety company authorized to transact business in the state of Alaska to guarantee solvency
66 and responsibility if such retailer failed to remit sales tax on a previous business to the city and
67 borough of Sitka.

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69 D. In addition to the other requirements of this section, the city and borough of Sitka ~~shall~~ may
70 require the owner(s) of a sole proprietorship or partnership, the corporate officers, directors,
71 owners or shareholders of a corporation or limited liability company, or any other form of
72 business to provide a personal guaranty and assumption of liability for the payment of
73 the tax due under this chapter.

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75 E. Appeals may be made to the assembly on the requirement to file a bond issued by a surety
76 company.

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80 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date
81 of its passage.

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83 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
84 Alaska, this 14th day of July 2026.

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88 _____
89 Steven Eisenbeisz, Mayor

90 ATTEST:

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94 Sara Peterson, MMC
95 Municipal Clerk

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97 1st reading: 06/23/26

98 2nd reading: 07/14/26

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100 Sponsor: Administrator