

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1129**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AMENDING SECTION 5.40.030 C, 5.40.030 D AND 5.40.030 BB OF THE CORDOVA  
MUNICIPAL CODE REGARDING EXEMPTIONS FROM SALES TAX**

**WHEREAS**, 5.40.030 C and D were initially entered into City Code via Ordinance 865 in June of 2000, almost 15 years ago; and

**WHEREAS**, in recent discussions, Council determined that raising the maximum on these two exemptions from \$2,500 to \$3,000 would not cause undue hardship for businesses or consumers; and

**WHEREAS**, 5.40.030 BB was code written by citizens and entered into code via a citizen initiative that passed by a vote of the people and contains a typo regarding the BB which should read AC.

**BE IT ORDAINED** by the City Council of the City of Cordova, that:

Section 1. Section 5.40.030 of the Cordova Municipal Code is hereby amended as follows:

5.40.030 - Exemptions.

The following sales and services are exempt transactions and are not subject to taxation by the city:

A. Proceeds from casual, occasional or isolated sales which are easily identified as the sale of personal goods or property at such private functions as moving, garage, yard, food and bake sales, sale of private vehicles when the seller is not a dealer in used vehicles, or services such as babysitting or house-sitting. A city license is not required under this subsection A;

B. Sales of insurance and bonds of guaranty and fidelity;

C. Fees for sales and services in excess of ~~two~~ **three** thousand, ~~five hundred~~ dollars per single purchase transaction. This exemption does not apply to accumulative purchases and billed as a lump sum in excess of ~~two~~ **three** thousand ~~five hundred~~ dollars except as provided in Section 5.40.030(D) relating to sales of construction materials and services.

In the event of an oil spill that requires mobilization of the oil spill response vessels, this exemption is automatically suspended for ninety days on all fees for sales and services commencing on the day of the oil spill;

D. Sales of construction materials and services exceeding ~~two~~ **three** thousand, ~~five hundred~~ dollars for use in each construction project paid for by any one purchaser during any twelve consecutive month period; provided, that the purchaser has obtained a building permit from the city prior to the start of the project and all receipts for construction materials and services clearly show the building permit number. Construction materials are those items becoming a permanent part of the structure. Purchaser may pay all sales tax on

**[ADDED LANGUAGE BOLD AND UNDERLINED, REMOVED LANGUAGE STRICKEN OUT]**

such materials and services and may apply for a refund as set out in Section 5.40.042 of this code or may pre-pay applicable city sales tax in advance and receive an exemption card;

**BB AC.** Home heating oil purchased for use in a dwelling, as defined in Section 18.08.190, for use at that location conditioned on the following:

1. That no more than fifty percent of the floorspace of the building(s) considered as dwellings be used as nonresidential use, including business activities.
2. That the dwelling be operated in compliance with all other regulations and laws.
3. If a fuel tank is used to supply more than one structure or area then no more than fifty percent of the floorspace and area supplied shall be nondwelling and nonresidential including business activities.

Section 2. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published within ten (10) days after its passage.

1st reading: May 20, 2015  
2nd reading and public hearing: June 3, 2015

**PASSED AND APPROVED THIS 3<sup>rd</sup> DAY OF JUNE, 2015**



James Kacsh, Mayor

Attest:

Susan Bourgeois, CMC, City Clerk

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