

**CITY OF CORDOVA, ALASKA
ORDINANCE 1156**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
ADOPTING CHAPTER 5.39, “MOTOR FUEL EXCISE TAX” AND IMPOSING AN EXCISE
TAX OF \$.04 PER GALLON ON MOTOR FUEL DISPENSED INTO VEHICLES AND
WATERCRAFT FROM A FUEL FACILITY WITHIN CORDOVA**

WHEREAS, the City of Cordova (“City”) is currently facing financial challenges and budgeting concerns, and

WHEREAS, it is in the City’s best interest to generate revenue to support the valuable services the City provides its citizens, residents, and visitors; and

WHEREAS, the implementation of a comprehensive motor fuel tax is in the City’s best interest as it provides the City additional revenues to meet the needs of its population and visitors.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cordova, Alaska that:

Section 1. Cordova City Code Title 5 is amended to adopt Cordova City Code Chapter 5.39, entitled “Comprehensive Motor Fuel Tax” to read as follows:

Chapter 5.39 Motor Fuel Excise Tax

Sections:

- 5.39.010 Levy of tax
- 5.39.020 Payment by consumer and collection by distributor
- 5.39.030 Returns- Filing required- Remittance of tax
- 5.39.040 Definitions

5.39.010 Levy of tax.

A. An excise tax is levied on all motor fuel dispensed into vehicles and watercraft from any fueling facility within the City other than a fueling facility located on property for which the City receives rent calculated based on the number of gallons of fuel sold from the fueling facility.

B. The tax is \$0.04 per gallon.

5.39.020 Payment by consumer and collection by distributor.

A. The fuel distributor shall be responsible for collecting the tax from the consumer. If the distributor has reasonable cause to believe that fuel sold is ultimately destined to be dispensed subject to this excise tax, the distributor shall require the customer to pay the tax at the time of the sale or cause the customer to sign a statement that the fuel is either: (1) not going to be dispensed into a vehicle or watercraft within the City or (2) will be dispensed into a watercraft from the floating fuel dock located in the Cordova small boat harbor. Except as otherwise provided in this chapter, the fuel distributor shall be jointly and severally liable with the consumer to the City for all taxes the distributor is required to collect, whether or not collected by the distributor.

B. It shall be a misdemeanor to falsely sign or cause to sign, such a statement or to do so with false intent. The maximum fine shall be \$500.00.

C. All excise taxes collected or which should have been collected pursuant to this chapter are City moneys for which the fuel distributor is liable and at all times accountable to the City. All such City moneys shall be held by the fuel distributor in trust for the City in an account that is separate from other moneys of the fuel distributor.

5.39.030 Returns- Filing required- Remittance of tax.

A. Every fuel distributor shall file an excise tax return, on forms furnished by the City on a monthly basis.

B. The completed return, together with remittance in full for the amount of tax due, must be transmitted to the City no later than the first business day following the last day of the month following the end of each reporting period (i.e., March's reporting period is due the first business day of May).

5.39.040 Definitions.

For the purpose of this chapter when not clearly indicated by the context, the following words and phrases have the following meanings:

“Consumer” means and includes each person who purchases motor fuel for which the tax under this chapter has not previously been paid.

“Motor fuel” means fuel used in and on vehicles and watercraft for any purpose, or in a stationary engine, machine, or mechanical contrivance that is run by an internal combustion motor; “motor fuel” does not include:

1. Fuel consigned to foreign countries;
2. Fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public;
3. Fuel used by nonprofit power associations or corporations for generating electric energy for resale;
4. Fuel used by charitable institutions;
5. Fuel sold or transferred between qualified dealers;
6. Fuel sold to Federal, state, and local government agencies for official use;
7. Fuel used in stationary power plants that generate electrical energy for private residential consumption;
8. Fuel used to heat private or commercial buildings or facilities;
9. Fuel used in stationary power plants of 100 kilowatts or less that generate electrical power for commercial enterprises not for resale; or

10. Residual fuel oil used in and on watercraft if the residual fuel oil is sold or transferred in the state or consumed by a user; for purposes of this subparagraph, “residual fuel oil” means the heavy refined hydrocarbon known as number 6 fuel oil that is the residue from crude oil after refined petroleum products have been extracted by the refining process and that may be consumed or used only when sufficient heat is provided to the oil to reduce its viscosity rated by kinetic unit and to give it fluid properties sufficient for pumping and combustion.

“Vehicle” means a vehicle of a type that is subject to registration under AS 28.10.011, without regard to the exceptions in that statute.

“Watercraft” means and includes vessels, ships or crafts of all types including but not limited to motor ships, tugs, barges, sailing vessels, and motor boats.

Section 2. This ordinance shall be effective on January 1, 2018. 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: October 18, 2017

2nd reading and public hearing: November 1, 2017

PASSED AND APPROVED THIS 1st DAY OF NOVEMBER, 2017.



David Allison, Acting Vice Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk