

Submitted by: Chair of the Assembly at the  
Request of the Acting Mayor  
Prepared by: Finance Department  
For reading: June 9, 2009

CLERK'S OFFICE

APPROVED

7-7-09

ANCHORAGE, ALASKA

AO No. 2009-78

Date:

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.45,  
2 RENTAL TAX ON RENTAL OF MOTOR VEHICLES, TO REDUCE THE  
3 FINANCIAL BURDEN ON SMALL PROPRIETOR RENTAL AGENCIES AND TO  
4 ALLOW SHARING OF INFORMATION OBTAINED PURSUANT TO THIS  
5 CHAPTER WITH LOCAL, STATE, OR FEDERAL GOVERNMENT AGENCIES  
6 FOR THE PURPOSE OF ENFORCING THIS CHAPTER  
7

8  
9 THE ANCHORAGE ASSEMBLY ORDAINS:

10  
11 **Section 1.** Anchorage Municipal Code 12.45.055 is amended by adding a new subsection  
12 E to read as follows (*the remainder of the section is not affected and therefore not set out*):  
13

14 **12.45.055 Security for fiduciary performance.**

15  
16 \*\*\* \*\*

17 E. Security for fiduciary performance under this section may be waived for a  
18 rental agency having three or fewer motor vehicles for rent provided the rental  
19 agency files a tax return and remits the full amount of tax due by the due dates  
20 prescribed in this chapter.  
21

22 (AO No. 2003-107, § 4, 7-1-03)  
23

24 **Section 2.** Anchorage Municipal Code 12.45.160 is amended by adding a new subsection  
25 C to read as follows (*the remainder of the section is not affected and therefore not set out*):  
26

27 **12.45.160 Confidentiality of records.**

28  
29 \*\*\* \*\*

30 C. This section shall not prohibit the chief fiscal officer from sharing information  
31 obtained from tax returns, documents, records, and/or reports filed with the  
32 municipality pursuant to this chapter with any local, state, or federal  
33 government agency for the purpose of enforcing this chapter.  
34

35 (AO No. 2000-116(S), § 3, 7-18-00)  
36

1 **Section 3.** This ordinance shall be effective immediately upon passage and approval by the  
2 Assembly.

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4 PASSED AND APPROVED by the Anchorage Assembly this 7<sup>th</sup> day of  
5 July, 2009.  
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11 Debbie Ossiander  
12 Chair of the Assembly  
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14

15 ATTEST:

16  
17 Belane E. Jonest  
18  
19 Municipal Clerk  
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22  
23  
24

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

AO Number: 2009-78      Title: **AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.45, RENTAL TAX ON RENTAL OF MOTOR VEHICLES, TO REDUCE THE FINANCIAL BURDEN ON SMALL PROPRIETOR RENTAL AGENCIES AND TO ALLOW SHARING OF INFORMATION OBTAINED PURSUANT TO THIS CHAPTER WITH LOCAL, STATE, OR FEDERAL GOVERNMENT AGENCIES FOR THE PURPOSE OF ENFORCING THIS CHAPTER**

Preparing Agency:      Finance Department  
 Others Impacted:      State of Alaska Department of Revenue and local governments within Alaska

**CHANGES IN EXPENDITURES AND REVENUES:      (Thousands of Dollars)**

	FY09	FY10	FY11	FY12	FY13
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>	0	0	0	0	0
Add: 6000 Charges from Others	0	0	0	0	0
Less: 7000 Charges to Others	0	0	0	0	0
<b>FUNCTION COST:</b>	0	0	0	0	0
<b>REVENUES:</b>	10	15	15	15	15
<b>CAPITAL:</b>	0	0	0	0	0
<b>POSITIONS: FT/PT and Temp.</b>	0	0	0	0	0

**PUBLIC SECTOR ECONOMIC EFFECTS:** This ordinance will enable proprietors renting three or fewer motor vehicles to reduce their cost of compliance with AMC chapter 12.45. This ordinance will enable such proprietors to complete the process of obtaining a code-required Certificate of Registration from the Municipality without the need to provide a financial guarantee to ensure performance of the rental agency's fiduciary responsibilities under AMC chapter 12.45. The typical business affected by this ordinance is an individual advertising a motor home for rent.

**PRIVATE SECTOR ECONOMIC EFFECTS:** This ordinance is expected to increase the rate of voluntary compliance with AMC chapter 12.45 by small proprietors. This ordinance will decrease the Finance Department's ability to collect delinquent rental vehicle taxes, penalties, and interest from non-compliant small-proprietor rental agencies, but the dollar amount exposed to risk of loss is projected to be minimal due to the small size of these businesses. This ordinance is expected to enable the Finance Department to increase rental vehicle tax collections by sharing information with the State of Alaska Department of Revenue, obtaining the results of their rental vehicle tax enforcement efforts within the Municipality, and assessing MOA rental vehicle taxes against unregistered rental agencies and/on rental vehicle transactions that were not reported on MOA rental vehicle tax returns.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 324-2009

Meeting Date: June 9, 2009

1 **From:** ACTING MAYOR

2  
3 **Subject:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
4 CHAPTER 12.45, RENTAL TAX ON RENTAL OF MOTOR  
5 VEHICLES, TO REDUCE THE FINANCIAL BURDEN ON SMALL  
6 PROPRIETOR RENTAL AGENCIES AND TO ALLOW SHARING OF  
7 INFORMATION OBTAINED PURSUANT TO THIS CHAPTER WITH  
8 LOCAL, STATE, OR FEDERAL GOVERNMENT AGENCIES FOR  
9 THE PURPOSE OF ENFORCING THIS CHAPTER  
10

11 This ordinance will reduce the costs of compliance with AMC chapter 12.45 for proprietors  
12 offering three or fewer motor vehicles for rent within the Municipality of Anchorage (MOA).  
13 AMC chapter 12.45 requires an applicant for a Certificate of Registration to produce a  
14 financial guarantee to complete the registration process. This guarantee ensures the agency  
15 will fulfill fiduciary responsibilities of collecting tax from renters and remitting it to MOA.  
16 Such a financial guarantee can be difficult and costly to obtain and as such, can be a barrier  
17 to entry for proprietors of small businesses. A typical vehicle rental business hindered by this  
18 financial guarantee requirement is an individual advertising a personal motor home for rent  
19 on a part time basis. Many of these persons want to comply with the code requirement, but  
20 are unable to do so.

21 This ordinance mirrors a similar exclusion, contained in AMC Chapter 12.20, Room Tax,  
22 where operators with three or fewer rooms may request waiver of the financial guarantee.  
23 Our experience with the room tax code has shown that risk of exposure to loss by waiving  
24 the financial guarantee requirement for small businesses is not significant.

25 Alaska Statute AS 43.52.010 levies a tax at the State level on the rental of motor vehicles  
26 within Alaska and rental agencies operating within the Municipality file quarterly tax returns  
27 to both the State and MOA. This ordinance is expected to improve the Finance Department's  
28 effectiveness and efficiency in enforcing AMC Chapter 12.45 by allowing the Chief Fiscal  
29 Officer to share and exchange information obtained from rental vehicle tax returns and  
30 related business records with the State of Alaska Revenue Department and other pertinent  
31 government agencies at the local, state, or federal level.

32  
33 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**  
34 **AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.45, RENTAL TAX**  
35 **ON RENTAL OF MOTOR VEHICLES, TO REDUCE THE FINANCIAL BURDEN**  
36 **ON SMALL PROPRIETOR RENTAL AGENCIES AND TO ALLOW SHARING OF**

1 **INFORMATION OBTAINED PURSUANT TO THIS CHAPTER WITH LOCAL,**  
2 **STATE, OR FEDERAL GOVERNMENT AGENCIES FOR THE PURPOSE OF**  
3 **ENFORCING THIS CHAPTER.**

4  
5 Prepared by: Daniel Moore, Municipal Treasurer  
6 Concur: Sharon Weddleton, CFO  
7 Concur: James N. Reeves, Municipal Attorney  
8 Concur: Michael K. Abbott, Municipal Manager  
9 Respectfully submitted: Matt Claman, Acting Mayor

**Content ID:** 007815**Type:** Ordinance - AO

**Title:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.45, RENTAL TAX ON RENTAL OF MOTOR VEHICLES, TO REDUCE THE FINANCIAL BURDEN ON SMALL PROPRIETOR RENTAL AGENCIES AND TO ALLOW SHARING OF INFORMATION OBTAINED PURSUANT TO THIS CHAPTER WITH LOCAL, STATE, OR FEDERAL GOVERNMENT AGENCIES FOR THE PURPOSE OF ENFORCING THIS CHAPTER

**Author:** maglaquijp**Initiating Dept:** Finance**Keywords:** Rental Vehicle Tax, Reduce Burden, Financial, Motor Vehicles, Rental Tax**Date Prepared:** 5/29/09 2:34 PM**Director Name:** Sharon Weddleton**Assembly Meeting Date:** 6/9/09**Public Hearing Date:** ~~6/23/09~~ 7/7/09

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	6/1/09 9:55 AM	Exit	Joy Maglaqui	Public	007815
MuniMgrCoord_SubWorkflow	6/1/09 9:55 AM	Approve	Joy Maglaqui	Public	007815
MuniManager_SubWorkflow	6/1/09 8:31 AM	Approve	Joy Maglaqui	Public	007815
MuniManager_SubWorkflow	6/1/09 8:29 AM	Checkin	Joy Maglaqui	Public	007815
Legal_SubWorkflow	5/29/09 4:27 PM	Approve	Dean Gates	Public	007815
OMB_SubWorkflow	5/29/09 4:09 PM	Approve	Bruce Holmes	Public	007815
Finance_SubWorkflow	5/29/09 3:26 PM	Approve	Teresa Peterson	Public	007815
AllOrdinanceWorkflow	5/29/09 2:40 PM	Checkin	Nina Pruitt	Public	007815