

Introduced By: Council Member Pruhs
Introduced: August 10, 2015

ORDINANCE NO. 5988

**AN ORDINANCE TO AMEND ORDINANCE NO. 5986, AS AMENDED,
AN ORDINANCE ENACTING A RETAIL SALES TAX ON MARIJUANA
AND REFERRING THE ORDINANCE FOR RATIFICATION AT THE
NEXT GENERAL ELECTION**

WHEREAS, on July 20, the City Council passed Ordinance No. 5986, as Amended, An Ordinance Enacting A Retail Sales Tax On Marijuana and Referring The Ordinance For Ratification At The Next General Election; and

WHEREAS, this ordinance was passed so as to give voters the chance to approve a retail sales tax on marijuana before the legal sale of marijuana began in 2016; and

WHEREAS, the Fairbanks North Star Borough Assembly is in the process of considering a similar retail sales tax, which will be considered at two special meetings of the Assembly scheduled in August; and

WHEREAS, the ordinance under consideration by the Assembly tracks Ordinance No. 5986, as Amended, but includes additional language concerning “marijuana products”; and

WHEREAS, the Borough feels that such language is needed to clarify any possible ambiguity about whether the tax applies to both marijuana and marijuana products; and

WHEREAS, to clarify that the tax that would be imposed in the City would be the same as the tax that would be imposed in the Borough, Ordinance No. 5986, as Amended, should be amended;

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. The definition of “marijuana” in Fairbanks General Code, Chapter 74, Article VI, Section 74-200, as enacted by Ordinance No. 5986, as Amended, is hereby amended as follow [new text in **bold/underline** font; deleted text in ~~strikethrough~~ font]:

Sec. 74-200. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Marijuana means all parts of the plant (genus) Cannabis, whether growing or not, the seed thereof, the resin extracted from any part of the plant, and any compound, manufacture, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate; *marijuana* does not include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products. **As used in this article, the term marijuana includes “marijuana products” defined as concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.**

Section 2. The City Clerk is directed to place the following revised ballot language on the ballot for ratification by the voters of the City of Fairbanks at the next general election, with the ballot proposition to read as follows:

Ballot Question No. _____

Information: On July 20, 2015, the Fairbanks City Council passed Ordinance No. 5986, as Amended, which enacted a five percent retail sales tax on Marijuana sold within the City of Fairbanks. Fairbanks Charter Section 6.5 provides that any new or additional sales tax levied by the City Council must be approved by the voters in a general election. **On August 24, 2015, the Fairbanks City Council passed Ordinance No. 5988, which amended the definition of “marijuana” to clarify that the proposed retail sales tax applied to marijuana products.**

Should Ordinance No. 5986, as Amended, An Ordinance Enacting a Retail Sales Tax on Marijuana and Referring the Ordinance for Ratification at the Next General Election, **as amended by Ordinance No. 5988,** be ratified?

_____ Yes

_____ No

A “Yes” vote ratifies Ordinance No. 5986, as Amended, **as amended by Ordinance No. 5988,** and allows the City of Fairbanks to impose a 5% retail sales tax on any sale of marijuana within the City of Fairbanks.

A “No” vote rejects Ordinance No. 5986, as Amended, and no sales tax may be imposed by the City of Fairbanks on the sale of marijuana.

Section 3. This amendment to the definition of “marijuana” in Ordinance No. 5986, as Amended, becomes effective upon passage; the amended version of Ordinance No. 5986, as Amended, does not become effective until ratified by the voters of the City of Fairbanks.

JOHN EBERHART, MAYOR

AYES: None
NAYS: Matherly, Cleworth, Walley, Staley, Gatewood, Pruhs
ABSENT: Eberhart
ADOPTED: Failed on August 24, 2015

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J. Ewers, City Attorney

FAILED