

**CITY AND BOROUGH OF SITKA**

**ORDINANCE NO. 2016-45**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 4.12, ENTITLED "PROPERTY TAX" TO EXEMPT ALL PERSONAL PROPERTY EXCEPT BUSINESS PERSONAL PROPERTY, AND NON-LIGHT AIRCRAFT FROM PERSONAL PROPERTY TAXATION**

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 circumstances shall not be affected.
3. **PURPOSE.** This ordinance amends the property tax code to exempt all personal property except for business personal property, and non-light aircraft, in order to bring greater efficiency to the administration of the property tax.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Sitka Assembly that the Sitka General Code Chapter 4.12 entitled "Property Tax" is amended to read as follows (new language underlined; deleted language stricken):

**SITKA GENERAL CODE  
CHAPTER 4.12  
PROPERTY TAX**

**4.12.010 Definitions.**

The following terms and phrases whenever used in this chapter shall have the meanings ascribed to them in this section.

A. "Real property" includes:

1. Land itself, whether laid out in lots or otherwise,
2. All buildings, structures, improvements, fixtures of whatsoever kind permanently fixed thereon,
3. Mobile homes, modular homes, trailers, house trailers, trailer coaches and similar property used or intended to be used for residential, office, or commercial purposes and attached to the land or connected to water, gas, electric, or sewage facilities,
4. All possessory rights and privileges belonging or in any way appertaining thereto, including possessory rights to tidelands;

B. "Tangible property" means property which may be seen, weighed and measured by the physical senses and capable of being possessed. Stocks and bonds shall not be considered tangible property;

C. "Tract" includes all lands, pieces or parcels of land, which may be separately assessed together with the fixtures and improvements thereon;

D. "Business property" includes all personal property and real property as hereinabove defined which is used for business purposes;

E. "Boat or vessel" means an item designed and constructed for the principal purpose of transporting goods or persons by water. Registration, licensing or documentation shall not be conclusive, but shall be considered along with the use and hull design, including whether or not the item is actually and reasonably used in transporting persons or articles in navigation.

1. Materials that have been attached or installed as of January 1st of any year as part of the manufacture of a boat or vessel shall be taxed as a boat or vessel for purposes of this chapter if as of January 1st of any year the product of the manufacture is recognizable as a boat or vessel by a reasonable person.

F. "Non-light aircraft" means any aircraft with a maximum gross takeoff weight of greater than 12,500 pounds.

G. "Light aircraft" means any aircraft with max gross takeoff weight of 12,500 pounds or less.

**4.12.020 Property Subject to Tax.**

A. All property within the corporate limits of the city and borough, both real and personal, of every nature, not exempt under the laws of the United States or the state of Alaska is subject to taxation for school and municipal purposes, and taxes upon such property must be assessed, levied and collected as provided herein, except the following property shall not be subject to taxation:

1. Personal property consisting of boats and vessels, light aircraft, household goods, jewelry, intangibles and personal effects, including motorcycles and snowmobiles not used in business and all motor vehicles subject to the motor vehicle registration tax.

~~B. All boats and vessels located within the boundaries of the city and borough on January 1st of any given year shall be subject to taxation under the same procedures and with the same assessment dates and due dates as personal property, except that valuation and taxation shall be on the basis of registered and certified length according to the schedule set forth below:~~

Class and Vessel Size	Annual Property Tax
Class 1 Less than 15 feet in length	\$20.00

Class 2 15 to less than 20 feet in length	\$30.00
Class 3 20 to less than 30 feet in length	\$50.00
Class 4 30 to less than 50 feet in length	\$100.00
Class 5 50 or more feet in length	\$200.00

B. For the purpose of assessing, levying, and collecting taxes, any non-light aircraft located within borough limits at any time in a tax year shall be considered taxable personal property and the owner shall file a property tax return indicating the fair market value of the property as of January 1st of each tax year. Property is assumed to be present within the borough year round unless demonstrated otherwise. An aircraft that is in transit and does not receive any benefit or services in the borough during the year is not subject to taxation under this section. If the owner can demonstrate the property was absent one or more days during the tax year, the owner shall file a personal property return indicating (1) the fair market value of the property, and (2) the number of days the property was within the borough. The assessed value of such property shall be determined by the following formula:

Assessed value = (fair market value/365 days) x number of days [including partial days] in borough

Any non-light aircraft operated by a scheduled carrier which is based outside of the borough shall be assessed in proportion to the number of landings in the borough. For purposes of determining the assessed value of the property, the assessor shall use the fair market value as of January 1st of the current tax year, and shall use the total number of landings in the borough by the property in the previous tax year. It shall be the responsibility of the carrier to provide the borough with a personal property return documenting the total landings for each aircraft. In the event the carrier fails to provide such documentation, the assessor shall assess the property based on its non-apportioned full value as of January 1st of the tax year. For the purpose of this section:

1. "Scheduled carrier" shall mean any certified air carrier which maintains a regular schedule of flights within the borough.

2. An aircraft is "based outside of the borough" if the airport at which the aircraft is usually based, as indicated by that aircraft's registration, lies outside the borough limits, unless the borough has reason to believe that the aircraft is in fact based within the borough limits. This value shall be determined by the following formula:

Assessed value = (fair market value/17,520) x total landings

**4.12.025 Exemptions.**

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K. A taxpayer who files a timely business property return with the assessor shall be exempted the first twenty-five thousand dollars of assessed value of business property owned by each taxpayer from taxation as an optional exemption as set forth in AS 29.45.050(c). For taxpayers with multiple business property accounts, the optional exemption will be distributed among all of the accounts pro rata, based on the proportion of the assessed value in each account to the total assessed value of taxpayer's business property. This exemption shall not apply to personal property affixed to land or improvements to land, ~~boats, aircraft,~~ float houses, nor to motor vehicles subject to a registration tax under AS 28.10.431 and as such statute may be hereafter amended, revised, or replaced.

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**4.12.040 Assessment of property at full and true value.**

Property shall be assessed at its full and true value in money, as of January 1st of the assessment year. Assessments on personal property shall not be prorated for the assessment year except as follows: non-light aircraft operated in intrastate, interstate or foreign commerce shall be assessed on an apportionment basis according to 4.12.020.B. In determining the full and true value of property in money, the person making the return or the assessor, as the case may be, shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which the property would sell at auction, or at a forced sale, either separately or in the aggregate with all of the property in the taxing district, but he shall value the property at such sum as he believes the same to be fairly worth in money at the time of assessment.


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5. **EFFECTIVE DATE.** This Ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 27<sup>th</sup> day of December, 2016.

  
\_\_\_\_\_  
Matthew Hunter, Mayor

ATTEST:

  
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Melissa Henshaw, CMC  
Acting Municipal Clerk

1<sup>st</sup> reading 12/13/16  
2<sup>nd</sup> reading 12/27/16