




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: John Leach, Municipal Administrator 
Date: May 19, 2020
Subject: Past Due Personal Property Tax Balances

Background

The due date for 2019 Property Taxes was August 30th, 2019 by 5:00 pm. According to SGC 4.12.150 a penalty of 15% of taxes owed has been added to delinquent accounts. In addition, an interest at a rate of 12% per year is added on the first day of each delinquent month. If the full amount is not paid by March 31, 2019, this debt would normally be turned over to a collection agency.

Analysis

Personal demand letters were sent to the delinquent account holders on 3/2/2020, in accordance with SGC 4.12.160, to address a total of 56 delinquent accounts. Most accounts were only delinquent by a few dollars or even cents, which could easily be explained by an accounting error or an incorrect estimated tax payment. Some accounts are delinquent by hundreds of dollars, and sometimes even thousands, before applying any penalties or interest. No matter the amount, each account was charged a penalty and applicable interest.

Per SGC 4.40.040 Write-off of uncollectable:

- A. Unpaid debts for which more than one hundred twenty days has elapsed since the date of the bill or invoice, and which are under a cumulative amount of two hundred dollars per customer, may be written off immediately upon approval of the finance director, if they are deemed not to be cost efficient to attempt to collect on.
- B. Unpaid debts for which more than one hundred twenty days has elapsed since the date of the bill or invoice, and which are under a cumulative amount of one thousand dollars per customer, may be written off immediately upon approval of the administrator, if they are deemed not to be cost efficient to attempt to collect on.
- C. Unpaid debts for which more than one hundred twenty days has elapsed since the date of the bill or invoice, and which are over a cumulative amount of one

thousand dollars per customer, may be written off immediately upon approval of the assembly.

- D. Any overdue debt which is not collected within ninety days shall, as a matter of accounting policy, be recorded against the allowance for uncollectable accounts when applicable under governmental accounting guidelines. Collection actions shall not cease, however, until the debt is collected, a statute of limitations is reached, or the debt is written off. Any debt recorded against the allowance for uncollectable accounts, which is subsequently recovered, shall as a matter of accounting policy be recorded as a recovery of bad debt.

Fiscal Note

Balance due in total is \$11,973.28 on 56 accounts including penalties and interest. Excluding penalties and interest, the CBS is owed \$5,494.20 in Personal Property Taxes.

Action

In accordance with SGC 4.40.040, the Municipal Administrator will forgive delinquent Personal Property Tax accounts with less than \$200 owed (before penalties and interest). All other accounts will be turned over to collections, and any account with more than \$1000 owed will be turned over to the Assembly for consideration if collection efforts are unsuccessful.

Encl: 2019 Personal Property Tax Collection List

Report Criteria:

- Include accounts with a positive balance
- * Unpaid billings and unapplied payments exist

Account Number	Primary Owner	Period	Taxes	Interest	Penalty	Miscellaneous	Balance
72017061	Aaron D Bean	12/31/2019	330.00	19.80	149.50	.00	499.30
72017013	Alaska Charter Service, LLC	12/31/2019	30.00	1.80	104.50	.00	136.30
72017015	Alaska Jewelry Inc	12/31/2019	150.00	9.00	122.50	.00	281.50
72017085	Arsenio and Marivic Carbonel	12/31/2019	210.00	12.60	131.50	.00	354.10
72017152	Arthur HEells	12/31/2019	31.20	1.86	104.68	.00	137.74
72017512	Benjamin F Timby	12/31/2019	55.80	3.36	108.37	.00	167.53
72018032	Brendan Jones	12/31/2019	90.00	5.40	113.50	.00	208.90
72017060	Brian Beall	12/31/2019	90.00	5.40	113.50	.00	208.90
72017390	Brian Pierce	12/31/2019	30.00	1.80	104.50	.00	136.30
72017093	Cheston C Clark	12/31/2019	7.80	.48	101.17	.00	109.45
72017077	Christopher M Brown	12/31/2019	4.20	.24	100.63	.00	105.07
72017268	Cody and Tara Johnston	12/31/2019	463.80	27.84	169.57	.00	661.21
72017559	Darrell E Windsor	12/31/2019	33.00	1.98	104.95	.00	139.93
72017189	David A Graham	12/31/2019	3.00	.17	85.73	.00	88.90
72018046	David C Meabon	12/31/2019	30.00	1.80	104.50	.00	136.30
72018010	Debra M Corbell	12/31/2019	24.60	1.50	103.69	.00	129.79
72017254	Donna Inman	12/31/2019	4.20	.24	100.63	.00	105.07
72017314	Frank and Mary Magnuson	12/31/2019	300.00	18.00	145.00	.00	463.00
72017108	Gail Corbin	12/31/2019	13.80	.84	102.07	.00	116.71
72017242	Housekeeping Solutions, LLC	12/31/2019	63.00	3.78	109.45	.00	176.23
72017258	J.P. Morgan Electronic Financial Service	12/31/2019	.60	.06	100.09	.00	100.75
72018008	James Dunnavant	12/31/2019	60.00	3.60	109.00	.00	172.60
72018034	Jaycie E Saunders	12/31/2019	24.00	1.44	103.60	.00	129.04
72017156	Jeremy JERickson	12/31/2019	90.00	5.40	113.50	.00	208.90
72017409	Jesse DRanke	12/31/2019	72.00	4.32	110.80	.00	187.12
72018092	Jonathan McGraw	12/31/2019	1,050.00	63.00	257.50	.00	1,370.50
72017346	Joseph W Mudry	12/31/2019	36.60	2.22	105.49	.00	144.31
72018041	Julie Beall	12/31/2019	24.00	1.44	103.60	.00	129.04
72017282	KCCR Properties LLC	12/31/2019	60.00	3.60	109.00	.00	172.60
72017174	Keith Frederickson	12/31/2019	18.00	1.08	102.68	.00	121.76
72017288	Kelly Kirby	12/31/2019	9.00	.54	101.35	.00	110.89
72017380	Kelly Pellett	12/31/2019	30.00	1.80	104.50	.00	136.30
72018020	Kris Karsunky	12/31/2019	39.00	2.34	105.85	.00	147.19
72017557	Linda A Wilson	12/31/2019	82.20	4.92	112.33	.00	199.45
72017417	Martha Robertson	12/31/2019	17.40	1.02	102.61	.00	121.03
72017499	Matthew P Stroemer	12/31/2019	84.00	5.04	112.60	.00	201.64
72017119	Melissa Curran	12/31/2019	1.20	.06	100.18	.00	101.44
72017120	Melissa Curran	12/31/2019	3.00	.18	100.45	.00	103.63
72017515	Melody L Todd-McGraw	12/31/2019	120.00	7.20	118.00	.00	245.20
72017037	Michael L Arthur	12/31/2019	15.00	.90	102.25	.00	118.15
72017202	Michelle Hackett	12/31/2019	9.00	.54	101.35	.00	110.89
72017102	Nathan S Coble	12/31/2019	15.00	.90	102.25	.00	118.15
72018082	Noel G Hutton	12/31/2019	48.00	2.88	107.20	.00	158.08
72018026	O'Brien & Sons Construction	12/31/2019	930.00	55.80	239.50	.00	1,225.30
72018003	Patrick H Barker	12/31/2019	7.20	.42	101.08	.00	108.70
72017121	River Dailey	12/31/2019	60.00	3.60	109.00	.00	172.60
72017537	Ronald T Waldron	12/31/2019	60.00	3.60	49.00	.00	112.60
72018023	Ryan Gluth	12/31/2019	30.00	1.80	104.50	.00	136.30
72017310	Sitka Lodge No. 1350 Loyal Order of Moos	12/31/2019	270.00	16.20	140.50	.00	426.70
72018027	Stephen Sheets Alaskan Arctic Stones, LL	12/31/2019	9.00	.54	1.35	.00	10.89
72017150	Steven REdenshaw	12/31/2019	4.80	.30	100.72	.00	105.82
72017347	Sueann M Mudry	12/31/2019	120.00	7.20	118.00	.00	245.20
72017234	Theresa A Heyburn	12/31/2019	16.80	1.02	2.52	.00	20.34
72018052	Thomas H Adams	12/31/2019	9.00	.54	101.35	.00	110.89

Account Number	Primary Owner	Period	Taxes	Interest	Penalty	Miscellaneous	Balance
72017275	Tommy Joseph	12/31/2019	15.00	.90	102.25	.00	118.15
72017082	Wilbur Bundy	12/31/2019	90.00	5.40	113.50	.00	208.90
Grand Totals:			5,494.20	329.69	6,149.39	.00	11,973.28

Report Criteria:

Include accounts with a positive balance

* Unpaid billings and unapplied payments exist