

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2024-08

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING A PROPERTY TAX EXEMPTION FOR THE SHELDON JACKSON CHILD CARE CENTER (“SJCCC”) FOR THE PROPERTY LOCATED AT 111 JOHN BRADY DRIVE**

**1. CLASSIFICATION.** This ordinance is not of a permanent nature and is not 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 circumstance shall not be affected.

**3. PURPOSE.** The purpose of this ordinance is to exempt from property tax the interest of SJCCC in the real property located at 111 John Brady Drive, Sitka, Alaska. The exemption, known as the “community purpose optional property tax exemption,” is authorized under Sitka General Code, subsections 4.35.025.E and H, which adopt and incorporate Alaska Statute 29.45.050(b)(1)(A), which under subsection (E), in order to receive the exemption, requires SJCCC to be “an organization not organized for business or profit-making purposes and [the property] used exclusively for community purposes.” The code and statute also require, to be exempted, that the “income derived from rental of that property does not exceed the actual cost to [SJCCC] of the use by the renter.” In addition, Sitka General Code, subsection 4.35.025.H requires that the owner seeking the community purpose exemption must “1. Benefit a significant portion of the public; and, 2. Not profit persons other than employees; and 3. Qualify for a federal income tax exemption under 26 USC 501.”

**4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka, upon finding as follows:

- (1) SJCCC is an organization not organized for business or profit-making purposes; and,
- (2) the property at 111 John Brady Drive is used exclusively for community purposes; and,
- (3) income derived by SJCCC from the rental of the property at 111 John Brady Drive does not exceed the actual cost to SJCCC of the use by any renter; and,
- (4) The operation of SJCCC benefits a significant portion of the public; and,
- (5) The operation of SJCCC does not profit persons other than employees; and,
- (6) SJCCC qualifies for a federal income tax exemption under 26 USC 501.

Thereby, SGC 4.35.025.E and H are satisfied and SJCCC is exempt from property tax as long as SJCCC owns the subject property and is in compliance with SGC 4.35.025.E and H.

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

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51           **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and  
52 Borough of Sitka, Alaska, this 23<sup>rd</sup> day of April, 2024.

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Steven Eisenbeisz, Mayor

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59 ATTEST:

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63 Sara Peterson, MMC

64 Municipal Clerk

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66 1<sup>st</sup> reading: 4/9/24

67 2<sup>nd</sup> and final reading: 4/23/24

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69 Sponsor: Administrator

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