

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-27A

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE AT SECTION 4.12.020 ENTITLED "PROPERTY SUBJECT TO TAX" TO INCREASE THE BIENNIAL MOTOR VEHICLE REGISTRATION TAX TO BE USED FOR MUNICIPAL ROADS AND MUNICIPAL ROADS INFRASTRUCTURES SUCH AS SIDEWALKS, GUTTERS, BIKE LANES, SUB GRADE AND DRAINAGE SYSTEMS. ALTERNATIVELY, THE ASSEMBLY WILL PLACE ON THE OCTOBER 2015 MUNICIPAL ELECTION SOME FORM OF A TAX BALLOT MEASURE (E.G. SALES, FUEL, PROPERTY) THAT WILL PRODUCE REVENUES COMMENSURATE WITH THE FEES THAT WOULD BE GENERATED BY THIS PROPOSED VEHICLE TAX REGISTRATION FEE ORDINANCE. THE INCREASED TAX REVENUES WILL BE DEDICATED TO SUPPORTING THE MAINTENANCE OF THE CBS ROADS. IF THE BALLOT MEASURE IS PASSED THE VEHICLE REGISTRATION FEE OUTLINED WITHIN THIS ORDINANCE WILL NOT BE IMPLEMENTED.**

**POSTPONED – WILL BE ASSIGNED A NEW ORDINANCE NUMBER**

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become 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 amend SGC 4.12.020 entitled "Property subject to tax" to add an additional biennial motor vehicle registration tax assessment to the tax levied pursuant to AS 28.10.431, to be paid at the same time the current motor vehicle registration tax is due. The additional tax as well as the current tax assessed under AS 28.10.431 shall be used for municipal road maintenance, road replacement, new roads, road extensions, and road infrastructures (i.e., sidewalks, gutters, bike lanes, sub grade, drainage systems, etc.). CBS is opting out of AS 28.10.155 with regard to "permanent registration of vehicles 8 years and older. Alternatively, the Assembly will put a tax ballot measure forward to appear on the October 2015 Municipal Election for some form of tax e.g. (sales, fuel, property) that generates revenues commensurate with the fees that will be produced by this vehicle tax registration fee. The increased tax revenues will be dedicated to supporting the maintenance of the CBS roads. If that tax ballot measure is passed the vehicle registration fee outlined within this ordinance will not be implemented.

The revenues generated by this tax are intended to augment, not replace, other general fund, state and federal funds allocated to maintain and/or improve CBS municipal roads.

Based on applicable state law at AS 28.10.431(j), the tax increase will not take effect until January 1, 2016.

4. **NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka that SGC 4.12.020 entitled "Property subject to tax" is amended as follows (new language underlined; deleted language stricken):

**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 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. Beginning January 1, 2016, any vehicle, including motor vehicles, electric vehicles and trailers, required to be registered with the Division of Motor Vehicles under AS 28.10.421, shall also be assessed an additional biennial motor vehicle registration tax to that assessed under AS 28.10.431.

1. The additional tax shall be paid at the same time that the motor vehicle registration tax is currently paid at the rate set out below:

- a. \$ 50.00 – Motorcycles required to be registered under AS 28.10.421(b)(5);
- b. ~~\$100~~ **\$45.00** – Non-commercial trailers required to be registered under AS 28.10.421(b)(6);
- c. ~~\$200~~ **\$125.00** – Non-commercial vehicles required to be registered under AS 28.10.421(b)(1) and (b)(2); and
- d. ~~\$400~~ **\$450.00** – Commercial vehicles required to be registered under AS 28.10.421(b)(3), (b)(4), and (c)(1)-(4).

2. If the motor vehicle registration tax is paid annually, the amount assessed under this subsection shall be half of the assessment set out above.

3. All biennial motor vehicle registration taxes collected under this subsection as well as the current tax collected under AS 28.10.431 shall be used for municipal road maintenance, road replacement, new roads, road extensions, and road infrastructures (i.e., sidewalks, gutters, bike lanes, etc.).

CB. 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:

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5. **EFFECTIVE DATE.** The Assembly will place on the October 2015 Municipal Election some form of a tax ballot measure that generates revenues commensurate with the fees that will be produced by the vehicle tax registration fee. The increased tax revenues will be dedicated to supporting the maintenance of the CBS roads. If that tax ballot measure is passed the vehicle registration fee outlined within this ordinance will not be implemented. If the tax ballot measure fails then this ordinance shall become effective as of January 1, 2016.

~~PASSED, APPROVED, AND ADOPTED~~ by the Assembly of the City and Borough of Sitka, Alaska this 23<sup>rd</sup> day of September, 2014.

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Mim McConnell, Mayor

**ATTEST:**

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Colleen Ingman, MMC  
Municipal Clerk

**Amended 8-26-14 on first reading**