

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2010-30

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 4.12 ENTITLED "PROPERTY TAX" TO DEFINE RESIDENTIAL AND BUSINESS USED MOBILE AND MODULAR HOMES AND SIMILAR STRUCTURES THAT ARE ATTACHED TO THE LAND OR UTILITIES AS REAL PROPERTY INSTEAD OF PERSONAL PROPERTY

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 circumstance shall not be affected.
3. **PURPOSE.** It has been the property tax assessment practice within the City and Borough of Sitka (CBS) to classify mobile and modular homes and similar structures on individual parcels as real property. However, mobile and modular homes and similar structures in parks for mobile and modular homes and trailers are treated as personal property.

Alaska statutory property tax provisions at AS 29.45.070, entitled "Mobile Homes," allows treatment of these types of structures as personal property if an ordinance to that effect has been adopted:

"Mobile 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 are classified as real property for tax purposes unless expressly classified as personal property by ordinance. This section does not apply to house trailers and mobile homes that are unoccupied and held for sale by persons engaged in the business of selling mobile homes"

No ordinances have been passed that contain any language that classifies mobile homes as personal property, or provides for the current distinction being made between such structures on private property and those in parks.

The Assessor recommends that rather than pass such an ordinance, the distinction be abandoned. This ordinance clarifies that no such distinction exists, and classifies residential and business used mobile and modular homes and similar structures attached to the land or utilities as real property, and not as personal property.

The same valuation methodology should be applied for all such structures on private property or in parks. Valuation of like structures should also be similar, when categorized as either real or personal property. This change should also result in a reduction in the current work

load for the Assessor's office, and alleviate certain personal property tax filings by owners of such structures. Typically, all taxable personal property within CBS is evaluated each year on the basis of returns of property provided by owners of such property. Approximately 465 mobile/modular homes are classified as personal property. Therefore, this ordinance reclassifies many of these structures as real property, and therefore alleviates the need for owners of such structures to file the returns, and review by the Assessor's Office.

The Assessor plans to send notification of this change in policy to be included in the personal property return mailings that occur on or about December 1, 2010. This change, however, will not occur until 2012 valuation year. This will allow the Assessor's Office and taxpayers to be prepared for this change.

Note that this ordinance, in line with the statutory requirement under AS 29.45.070, does not apply to any mobile or modular home or similar type structure that is unoccupied or not intended to be occupied as a residence or business. It also does not apply if the structure is not attached to the land or connected to utilities. Additionally, it would not apply to such structures when they are being sold by business that sells such structures. All such structures shall continue to be treated as personal property.

The purpose of this ordinance is therefore to amend the "real property" tax definition at SGC 4.12.010 and make comparable adjustments in the personal property tax provisions at SGC 4.12.060 to clarify that mobile/modular homes and similar structures used or usable as residences or business, and that are attached to the land or utilities, are treated as real property for property tax purposes.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC at Title 4, Chapter 4.12 entitled "Property Tax" is amended as follows (new language underlined; deleted language stricken):

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,

34. All possessory rights and privileges belonging or in any ways appertaining thereto, including possessory rights to tidelands;

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4.12.060 Report of property acquisition by owner.


A. Every person, partnership, association, corporation or other entity who acquires ownership in or possession of any real property located within the city and borough or of the following types of personal property located within the city and borough: Boats, house trailers and similar structures not defined as real property under SGC 4.12.010A.3, self-propelled mobile equipment not licensed under the provisions of the laws of the state of Alaska and movable construction or logging equipment of a value of more than five hundred dollars, is required to register such acquisition with the city and borough assessor on forms supplied for that purpose within fifteen days after such acquisition.

B. All persons, partnerships, associations, corporations, or other entities within the city and borough owning or possessing within the city and borough any trailers and similar structures not defined as real property under SGC 4.12.010A.3, boat or movable construction or logging equipment shall within fifteen days after the relocation within the city and borough or removal from the city and borough of the personal property, notify the assessor of the city and borough of the relocation or removal on forms supplied for that purpose.

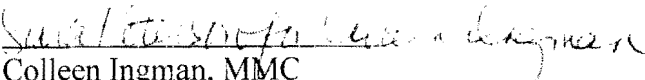
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5. **EFFECTIVE DATE.** This ordinance upon its passage shall become effective for the tax year beginning January 1, 2011.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 30th day of November, 2010.


Cheryl Westover
Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk