DISCUSSION / DIRECTION

of a draft ballot proposition to increase the millage rate.



1	Sponsor: Administration
2 3	CITY AND BOROUGH OF SITKA
4 5	ORDINANCE NO. 2016-XX
6 7 8 9 10 11 12 13 14 15	AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA TO AMEND THE HOME RULE CHARTER OF THE CITY AND BOROUGH OF SITKA AT ARTICLE 13.03 ENTITLED "PROPERTY TAX LIMIT" TO INCREASE THE MILLAGE RATE LIMIT BY (?) TENTHS OF ONE PERCENT, WHICH WOULD BE (?) TENTHS OF ONE PERCENT, OR (?) MILLS, AND TO LIMIT THE ANNUAL MILL RATE CHANGE TO NOT EXCEED (?) MILLS, AND TO AMEND SITKA GENERAL CODE CHAPTER 4.12.110 ENTITLED "TAX LEVY FIXED BY ASSEMBLY" AND PUT THE QUESTION OF SUCH AMENDMENTS TO THE VOTERS AT A SPECIAL ELECTION ON DECEMBER 6, 2016
16 17 18 19 20 21	1. <u>CLASSIFICATION.</u> All sections of this ordinance, except section 5 regarding the ballot proposition, are of a permanent nature, with section 4 intended to become a part of the Home Rule Charter of the City and Borough of Sitka ("Charter") and the Sitka General Code ("Code") if approved by the qualified voters at the December 6, 2016 Special Election.
23 24 25	2. <u>SEVERABILITY.</u> 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.
26 27 28 29 30 31	3. PURPOSE. This ordinance amends the Charter at Article 13.03 entitled "Property Tax Limit," by raising the property tax millage rate limit 6.0, to (?) mills, limits the annual mill rate change to no more than (?) mills, and adds exceptions to the property tax millage rate limit for voter-approved services.
32 33 34 35	4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Sitka Assembly that the Sitka Home Rule Charter at Article 13.03, entitled "Property Tax Limit," as well as the Sitka General Code Chapter 4.12.110, entitled "Tax levy fixed by assembly" are amended to read as follows (new language underlined; deleted language
36 37	stricken):
38 39 40 41	HOME RULE CHARTER ARTICLE XIII TAXATION

 Section 13.03 Property Tax Limit
The property tax general fund levy shall not exceed six (?) tenths (0.006) of one per cent (6-mill) (? mill rate to be determined by the Assembly) of the assessed valuation of

the property to be taxed, with the annual mill rate (increase/decrease) not to exceed (?) mills. The property tax general fund levy shall be subject to the following exceptions:

- 1. Taxes necessary to pay for debt service on new voter-approved bonds.
- 2. <u>Taxes within a service area in order to maintain or obtain services that might otherwise be limited by a tax cap.</u>

The voters may raise this limit by an affirmative vote of the majority of the voters participating in a special or regular election.

This section shall not in any way limit the ability of the municipality to meet its bonded obligations and in no event shall the property tax levy during a year exceed three percent (thirty mills) of the assessed value of the property in the municipality.

* * *

SITKA GENERAL CODE Chapter 4.12 PROPERTY TAX

* * *

4.12.110 Tax levy fixed by assembly.

A. Determination of Rate and Levy of Tax. When the final assessment records are completed by the assessor, the assessor shall deliver to the assembly a statement of the total assessed valuation of all real and personal property in the city and borough. The assembly shall then fix the rate of tax levy and designate the number of mills upon each dollar of value of assessed taxable real and personal property that shall be levied and shall levy the tax accordingly for general fund operations and appropriations, separately fixing the levy for school and municipal purposes. The general fund operation and appropriation rate of levy shall be fixed by resolution ordinance and be subject to the voter-approved limitations of the Home Rule Charter Section 13.03 "Property Tax Limit.", but the aggregate thereof may not exceed three percent of the assessed value of the property assessed.

5. **BALLOT QUESTION.** The following question shall be placed before the voters at a special election to be held on December 6, 2016:

Shall the City and Borough of Sitka Charter at Article 13.03, entitled "Property Tax Limit," be amended to increase the property tax general fund levy limit by (?) mills, thus not to exceed (?) tenths (?) of one per cent (? mills) of the assessed valuation of taxable property, and to limit the annual mill rate increase/decrease to no more than (?) mills

	YES	NC
ш	ILO	140

121

122 123 Sara Peterson, CMC Municipal Clerk

93	Informational:
94	The Assembly intends to use the additional revenues to balance and restructure
95	budgets with the intention of reducing the tax burden on moderate to lower income
96	households and individuals.
97	
98	This tax relief will include:
99	Elimination of sales tax on groceries
100	2) Residential homeowner exemption not to exceed \$50,000 in assessed valuation
101	, accepted taladion
102	Further, it will use these additional revenues to maintain school district funding at (?)
103	percentile of the state statutory funding cap.
104	то т
105	
106	6. EFFECTIVE DATE. This ordinance shall become effective on the day
107	after the date of its passage. The amendment to the Home Rule Charter and City Code
108	of the City and Borough of Sitka set out in Subsection 4 shall only become effective if a
109	majority of the voters voting on this ordinance at the election on December 6, 2016
110	approve this ordinance, and if a majority of voters so approve then these amendments
111	set out in Subsection 4 shall become effective the day after the election is certified.
112	
113	PASSED, APPROVED, AND ADOPTED by the Assembly of the City and
114	Borough of Sitka, Alaska this day of July, 2016.
115	,
116	
117	
118	Mim McConnell, Mayor
119	ATTEST:
120	