

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2016-31

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE CHAPTER 4.12 "PROPERTY TAX" BY ADDING A NEW SECTION 4.12.430 TITLED
"MILL RATE PROCEEDS TRANSFER TO ELECTRIC RATE STABILIZATION FUND"

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
- 3. **PURPOSE.** The purpose of this ordinance is to clarify in code the process by which proceeds from a mill rate increase can be transferred to the electric rate stabilization fund with the intent to eliminate or at least minimize electric rate increases. This Ordinance would become effective on July 1, 2017 but only if the amendment to the Charter set forth in Ordinance 2016-26 is approved by voters at the regular election held on October 4, 2016.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code 4.12.430 is amended by adding a new section titled "Mill rate proceeds transfer to electric rate stabilization fund" (new language underlined; deleted language stricken):

**Chapter 4.12
PROPERTY TAX**

Sections:

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4.12.430 Mill rate proceeds transfer to electric rate stabilization fund.

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4.12.430 Mill rate proceeds transfer to electric rate stabilization fund
Property tax proceeds of up to one (1) Mill of the assessed value of real property shall be transferred annually from the general fund to the electric rate stabilization fund in order to achieve minimum rate covenants as specified by applicable electric revenue bond ordinances. If electric user fees are either sufficient or partially sufficient to meet minimum rate covenants then only that portion of property tax proceeds of up to one (1) Mill of the assessed value of real property shall be transferred. Any such transfer of property tax proceeds must be accomplished by ordinance either through adoption of the annual budget or supplemental budget ordinance.

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50 5. **EFFECTIVE DATE.** Ordinance 2016-31 shall become effective on July 1, 2017 but only
51 if the amendment to the Charter set forth in Ordinance 2016-26 is approved by voters at the
52 regular election held on October 4, 2016.

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54 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
55 Alaska this 13th day of September, 2016.

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58 _____
59 Mim McConnell, Mayor

60 ATTEST:
61 _____
62 Sara Peterson, CMC
63 Municipal Clerk