

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2018-32

BALLOT PROPOSITION OCTOBER 2018

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING ARTICLE XIII "TAXATION", SECTION 13.03 "PROPERTY TAX LIMIT", OF THE HOME RULE CHARTER OF THE CITY AND BOROUGH OF SITKA, BY INCREASING THE PROPERTY TAX LEVY LIMIT BY TWO TENTHS OF ONE PERCENT (2 MILLS), FROM SIX TENTHS OF ONE PERCENT (6 MILLS) TO EIGHT TENTHS OF ONE PERCENT (8 MILLS) OF THE ASSESSED VALUATION OF THE PROPERTY TO BE TAXED; AND, SUBMITTING THE QUESTION OF SUCH AN AMENDMENT TO THE QUALIFIED VOTERS AT A REGULAR ELECTION ON OCTOBER 2, 2018

**POSTPONED INDEFINITELY ON SECOND AND
FINAL READING JULY 24, 2018**

1. CLASSIFICATION. 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"), if approved by the qualified voters at the October 2, 2018, regular election.

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 circumstances shall not be affected.

3. PURPOSE. The purpose of this ordinance is to raise revenue for the City and Borough of Sitka by increasing the property tax levy limit by two mills, from six mills to eight mills of the assessed valuation of the property to be taxed. In order to take effect, this ordinance must be approved by the voters in a ballot proposition at the next regular election. The Assembly will contemporaneously consider another ordinance which exempts groceries and residential utilities from sales tax, but such exemptions will only take effect if the aforementioned ballot proposition is approved.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Article XIII, entitled "Taxation", Section 13.03, entitled "Property Tax Limit", of the Charter, is amended to read as follows (new language underlined; deleted language stricken):

* * *

HOME RULE CHARTER
ARTICLE XIII
TAXATION

* * *

Section 13.03 Property Tax Limit

The property tax levy shall not exceed six eight tenths ~~(0.006)~~ (0.008) of one per cent ~~(6 mill)~~ (8 mills) of the assessed valuation of the property to be taxed. 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 (three mills) of the assessed value of the property in the municipality.

5. BALLOT PROPOSITION. The following question shall be placed before the voters at the regular election to be held on October 2, 2018:

Proposition No. ____

Shall the Home Rule Charter of the City and Borough of Sitka be amended to increase the property tax levy limit from 6 mills to 8 mills?

☐ YES

☐ NO

Informational: A "mill" is equal to one tenth of one percent (0.001) of the assessed valuation of the property to be taxed. The current allowable millage rate limit is 6 mills. An affirmative vote on this proposition would amend the Home Rule Charter Article XIII, entitled "Taxation", at Section 13.03, entitled "Property Tax Limit", by increasing the allowable millage rate limit by 2 mills, from 6 mills to 8 mills. If approved by the voters, this amendment will become effective January 1, 2019.

Furthermore, on the same date this ballot proposition was brought before the Assembly, Ordinance No. 2018-31 was brought before the Assembly. The purpose of that ordinance was to exempt groceries and residential utilities from sales tax should this ballot proposition be approved by the voters.

6. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

The amendment to the Charter set forth in Section 4 hereof shall only become effective if the ballot proposition set forth in Section 5 hereof is approved by a majority of the qualified voters at the regular election held on October 2, 2018. Subject to the foregoing, the effective date of this amendment shall be January 1, 2019.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of July, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 7/10/18

2nd and final reading POSTPONED INDEFINITELY 7/24/18

Sponsors: Knox / Potrzuski