

Introduced by: Fin. Com.  
Date: June 3, 1986  
Hearing: July 1, 1986  
Refrd. to Fin. Com. 6-17  
Vote: 11 yes, 3 no  
Action: ADOPTED

KENAI PENINSULA BOROUGH  
ORDINANCE 86-44 (SUBSTITUTE)

AMENDING KP.B CHAPTER 5.18 TO AUTHORIZE THE CREATION, RECORDING, AND NOTICE OF LIEN ON REAL AND/OR PERSONAL PROPERTY TO SECURE PAYMENT OF A SALES TAX, PLUS INTEREST, PENALTIES, AND ADMINISTRATIVE COSTS IN THE EVENT OF DELINQUENCY.

WHEREAS, the Kenai Peninsula Borough currently levies a sales tax as set out by KP.B Chapter 5.18; and

WHEREAS, the Kenai Peninsula Borough has faced a significant problem with delinquencies in filing and remittance of the sales tax to the Borough by a significant number of the collecting sellers; and

WHEREAS, due to the extensive time periods required by our procedures on collection of delinquent taxes to provide for sufficient notice and to meet legal requirements there have been a number of cases in the past where a seller has collected sales tax, failed and refused to file and remit the tax to the Borough, and has left the jurisdiction prior the Borough's ability to complete legal collection procedures to receive the taxes withheld; and

WHEREAS, the Alaska State Legislature in its revision of Title 29, effective January 1, 1986, has provided through AS 29.45.650(e) that a Borough may provide for the creation, recording, and notice of a lien on real or personal property to secure the payment of a sales and use tax, and the interest, penalties and administrative costs in the event of a delinquency, with such lien, when recorded, given priority over other liens except those for property taxes and special assessments;

NOW THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That a new section 5.18.295 shall be added to the KP.B Code of Ordinances to read as follows:

5.18.295 Sales tax liens. A. The mayor shall cause a sales tax lien (per AS 29.45.650(e)) to be filed and recorded against all real and personal property of a registered seller where the seller has:

1. Failed to file sales tax returns for two (2) consecutive filing periods as required by this chapter; or

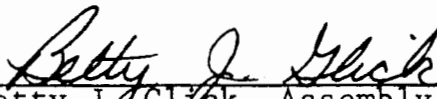
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2. Failed within sixty (60) days of the end of the filing period from which taxes were due to either (a) remit all taxes, penalties and interest due or (b) to enter into a secured payment agreement as provided by KPB 5.18.290 G.

B. Prior to filing a sales tax lien, the mayor shall cause an additional written notice of intent to file to be mailed to the registered address of the delinquent seller.

Section 2. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 2 DAY OF September, 1986.

  
Betty J. Glick, Assembly President

ATTEST:

  
Joanne Brindley  
Borough Clerk