

Introduced by: Mayor
Date: Jan. 19, 1988
Hearing: Feb. 16, 1988
Vote: Unanimous
Action: Enacted

KENAI PENINSULA BOROUGH

ORDINANCE 88-2

PROVIDING FOR MOTOR VEHICLE REGISTRATION TAX ON VEHICLES.

WHEREAS, motor vehicles are currently taxed as personal property within the borough and cities; and

WHEREAS, AS 28.10.431 provides for an alternative to assessment and collection of property tax on motor vehicles; and

WHEREAS, a motor vehicle tax would be levied at a flat rate and collected by the Department of Public Safety, Division of Motor Vehicles and remitted to the borough; and

WHEREAS, the vehicle registration tax must be paid in order to obtain vehicle registration; and

WHEREAS, use of the motor vehicle tax is anticipated to reduce the delinquency rate for personal property taxes and improve collection of taxes on vehicles;

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

Section 1. That the Kenai Peninsula Borough Code of Ordinances is hereby amended by adding a new section to be numbered KPB 5.12.245 which shall read as follows:

5.12.245 Annual motor vehicle registration tax--
Levy--Distribution. A. There is levied an annual motor vehicle registration tax within the borough pursuant to the provisions of AS 28.10.431 and as such statute may be hereafter amended, revised or replaced.

B. Money received by the borough under this section and AS 28.10.431, and as such statute may be hereafter amended, revised or replaced, shall be allocated by the borough for city, borough, and service areas using the same method as taxes are distributed, except that population shall be the basis rather than assessed value. The method is as follows:

1. The population of each tax code area (TCA) shall be determined. Population shall be established by the latest figures determined by the Kenai Peninsula Borough and accepted by the State of Alaska Department of Community and Regional Affairs for allocation of

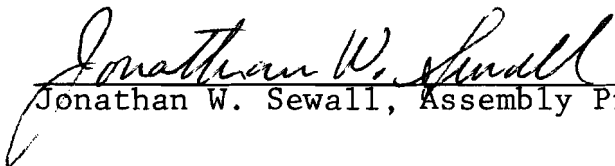
state revenue sharing funds, or other reliable data. Where a TCA boundary and the boundary of the most similar area counted for population (usually a voting precinct) do not coincide, an estimate of the population of the dissimilar area shall be made to arrive at the most accurate determination of population of the TCA. The sum of the populations of all TCA's shall equal the total population of the borough.

2. The total receipts shall be apportioned to each TCA based upon its percentage of the total borough population.
3. The receipts apportioned to a particular TCA shall be distributed to the taxing jurisdiction areas (TJA's) which make up that TCA. Such distribution shall be based upon the mill rates of the TJA's compared to the total mill rate of the TCA. The percentage shall be equal to the TJA mill rate divided by the total mill rate for the TCA.

C. One (1) motor vehicle per household owned by a resident sixty-five (65) years of age or older on January 1 of the assessment year is exempt from the registration tax under AS 28.10.431. An exemption may be granted under this subsection only upon written application on a form prescribed by the Department of Public Safety.

Section 2. That for purposes of imposition and collection of the vehicle registration tax, this ordinance shall become effective December 31, 1988. For all other purposes, it shall become effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON
THIS 16th DAY OF February, 1988.


Jonathan W. Sewall, Assembly President

ATTEST:


Borough Clerk