

Introduced	Mayor
Date:	4/21/98
Hearing:	5/19/98
Action:	Enacted
Vote:	Unanimous

**KENAI PENINSULA BOROUGH
ORDINANCE 98-16**

**AN ORDINANCE ADOPTING REGULATIONS GOVERNING
WATERCRAFT REPORTING AND TAXATION**

WHEREAS, Ordinance 97-73, codified in provisions of KPB Chapter 5.12, exempted U.S. Coast Guard registered watercraft from ad valorem taxes and implemented a flat tax schedule in its stead; and

WHEREAS, KPB 5.12.180, governing filing requirements, authorizes the Mayor to adopt regulations, subject to assembly approval, for the administration and enforcement of that provision; and


WHEREAS, regulations clarifying filing, reporting, and taxation requirements are needed to assist in the administration and enforcement of the tax code changes regarding watercraft;

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

SECTION 1. That the Assembly adopts the attached regulations entitled "Kenai Peninsula Borough Regulations Governing Watercraft Reporting and Taxation", which are incorporated by reference as if fully set forth herein.

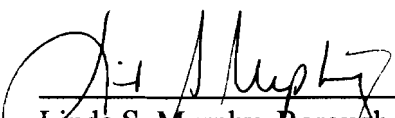
SECTION 2. That this ordinance shall take effect immediately upon its adoption.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19th DAY OF MAY, 1998.

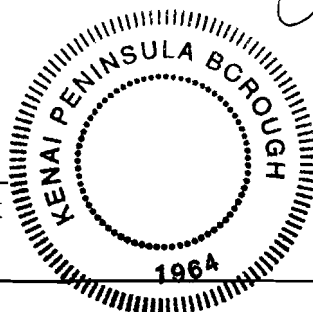


Jack Brown, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk



**KENAI PENINSULA BOROUGH REGULATIONS
GOVERNING WATERCRAFT TAXATION**

05.100. Authority for Borough Ad Valorem Exemption and Flat Tax.

- A. KPB Ordinance 97-73, codified in KPB Chapter 5.12, exempts U.S. Coast Guard registered watercraft from ad valorem property taxes, and subjects them to a flat tax.
- B. AS 29.45.055 authorizes municipalities to classify personal property as to type, exempt the classified property from ad valorem taxes, and impose a flat tax.

05.110. Purpose.

The purpose of these regulations is to provide rules for the consistent administration and enforcement of the watercraft flat tax, and to simplify compliance by the public.

05.120. Scope.

These regulations describe which watercraft are subject to the borough flat tax instead of the ad valorem tax, and provide detailed filing requirements for watercraft subject to the borough flat tax. Compliance with city tax codes is not described in these regulations.

05.130. Filing requirements for watercraft located in the Kenai Peninsula Borough.

- A. Returns are not required to be filed for U.S. Coast Guard ("USCG") registered watercraft less than 20 feet in overall length, unless located inside a city that taxes such watercraft.
- B. Returns must be filed for the following watercraft:
 - 1. All USCG registered watercraft 20 feet or more in overall length.
 - 2. All USCG registered watercraft less than 20 feet in overall length that are located inside a city that taxes such watercraft.
 - 3. All watercraft not registered with the USCG and located outside all incorporated cities, unless otherwise exempted from tax by borough code.
 - 4. All watercraft not registered with the USCG and located within the boundaries of an incorporated city, unless it is otherwise exempt from filing by both borough and city code.
- C. Personal Property returns will be accepted only on the forms approved by the Borough Assembly. These forms shall be available free of charge from the Borough Clerk and from City Halls within the Borough.
- D. The returns must be filed with the Borough Assessor on or before February 15th of each year.

05.140. Ad Valorem Exemption:

- A. All USCG registered watercraft are exempted from borough ad valorem taxes. Instead, they are subject to a flat tax.
- B. Watercraft not registered with the USCG are not exempted from ad valorem taxes by ordinance 97-73. Any other exemptions that may be applicable to such watercraft remain in full force and effect.

- C. Ordinance 97-73 does not affect city taxes. The cities of Homer, Kachemak, Kenai, Seward, Soldotna and Seldovia tax watercraft according to the applicable city code.

05.150. Tax on watercraft in the Kenai Peninsula Borough

- A. All USCG registered watercraft located within the Kenai Peninsula Borough will be taxed according to overall length, in an amount set by the watercraft flat tax schedule contained in KPB 5.12.
- B. USCG registered watercraft located inside an incorporated city will also be taxed by the incorporated city according to the city tax code.
- C. Watercraft not registered with the USCG will be taxed by the borough according to value, unless otherwise exempt from borough taxation. Those located inside an incorporated city will also be taxed according to the city tax code.

05.160. Definitions:

- A. "Located," as used in these regulations, means the physical place where situs is established as defined in borough regulations governing situs. Copies of such regulations are available in the Borough Assessing Department.
- B. "Overall length" means the horizontal distance between the outboard side of the foremost part of the stem and the outboard side of the aftermost part of the stern, excluding rudders, outboard motor brackets, and other similar fittings and attachments.
- C. "Watercraft" means every description of vessel or other contrivance capable of being used as a means of transportation on water, but does not include aircraft.