

Introduced by: Scalzi, Mayor
Date: 10/27/98
Hearing: 12/08/98
Action: Enacted
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
ORDINANCE 98-64**

**AN ORDINANCE AMENDING KPB 5.12.150, THE VESSEL REPAIR
EXEMPTION, TO ESTABLISH AN APPLICATION DEADLINE,
DEFINE TERMS AND CLARIFY THE ORDINANCE**

WHEREAS, KPB 5.12.150 presently exempts from property taxes vessels with a home port located outside of the borough that are brought into the borough solely for repair, servicing or seasonal storage; and

WHEREAS, amending the ordinance to include an application deadline and a definition of seasonal storage would simplify the administration of this exemption;

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

SECTION 1. That KPB 5.12.150 is hereby amended as follows:

5.12.150. Personal property tax--Assessments--Boats--Repair exemption--Appeal.

A. For purposes of taxation, U.S. Coast Guard registered watercraft subject to a tax shall be totally exempted from ad valorem taxes, and shall be taxed in accordance with the following flat tax schedule. Watercraft shall be measured according to length overall.

Watercraft Flat Tax Schedule		
Class	Watercraft Length	Overall Annual Tax
1	Less than 15 ft	\$0
2	15 to less than 20 ft	0
3	20 to less than 25	50
4	25 to less than 36 feet	150
5	36 to less than 60 feet	250
6	60 to less than 100 feet	500
7	100 or more feet in length	1,000

B. Vessels having a home port in a location outside the borough boundaries brought into and remaining in the borough solely for the purposes of repair, servicing or seasonal storage in a boatyard licensed to collect sales tax shall not be deemed to have established a taxable situs in the borough.

The assessor may make inquiry and gather information necessary to determine whether a vessel meets the conditions of this section and failure of the vessel owner to supply information necessary to the assessor to make a determination will preclude the owner from claiming nontaxable status for borough taxes. Determination of tax situs under this section only applies to borough and service area tax levies and taxability of a vessel within a city will be governed by the provisions of the cities tax ordinances and AS 29.45. Vessels that fish in or deliver their catch within the borough shall not be entitled to any exemption under this subsection. If a vessel owner owns a limited entry fishing permit for waters in the borough, the borough assessor may presume that the vessel was in the borough for fishing purposes and is not eligible for this exemption, provided that this presumption may be rebutted by reasonably reliable evidence to the contrary provided to the assessor by the owner. To be eligible for this exemption, the owner must file with the borough assessor an application, on a form approved by the Borough Assessor, on or before February 15th of each year.

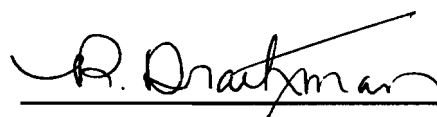
C. For purposes of this section:

- (1) "Home port" means a vessel's normal base of operation unless the owner resides in the borough or has a base of operations in the borough, at which this vessel regularly calls, in which case, the home port shall be deemed to be in the borough.
- (2) "Seasonal Storage" means storage in a boatyard licensed to collect sales taxes, at any time between September and March of each year. Vessels remaining in the borough in the remaining months will not be eligible for the seasonal storage exemption.

D. A vessel owner may appeal the determination of the borough assessor under this section, using the procedures set out in KPB 5.12.050-060.

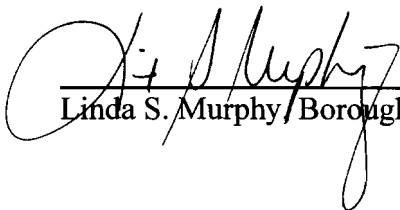
SECTION 2. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 8TH DAY OF DECEMBER, 1998.



Ronald Wm. Drathman, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk