

Introduced by: Brown
Date: 03/02/99
Hearing: 04/06/99
Action: Enacted as Amended
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
ORDINANCE 99-15**

**AN ORDINANCE AMENDING KP.B 5.12.150 TO CLARIFY THAT CERTAIN
UNCERTIFIED WATERCRAFT SHALL BE TAXED ON AN AD VALOREM BASIS**

WHEREAS, the assembly amended KP.B 5.12.150 in Ordinance 97-73 to exempt U.S. Coast Guard registered watercraft from ad valorem tax and subject such vessels to a flat tax; and

WHEREAS, as a result of this modification, numerous watercraft no longer usable on water which remain U.S. Coast Guard registered are taxed at a rate significantly higher than they were previously taxed under the ad valorem tax; and

WHEREAS, one purpose of Ordinance 97-73 was to provide tax relief to watercraft owners and to simplify administration of the personal property tax code; and

WHEREAS, taxing certain uncertified watercraft on an ad valorem basis would be consistent with this purpose supporting Ordinance 97-73 and would not cause the borough to lose significant tax revenues; and

WHEREAS, the ordinance should be clarified to provide that watercraft that are documented or registered or otherwise licensed are subject to the flat tax;

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

SECTION 1. That KP.B 5.12.150 is hereby amended as follows:

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

A. Except as provided below, [F]for purposes of taxation, [U.S. COAST GUARD REGISTERED] watercraft for which the USCG certificate of number, U.S. or foreign documentation or registration document, or the ADF&G number have been issued, or other 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

<i>Class</i>	<i>Watercraft Length Overall</i>	<i>Annual Tax</i>
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] ordinance.

C. Watercraft for which all certificates of number, registration, or documentation, or other form of maritime licensing or registration and the ADF&G number, if applicable, have been surrendered to the issuing authority by January 1 of the tax year shall be taxed on an ad valorem basis. Vessels for which such registration or licensing has lapsed but has not been surrendered shall not qualify for ad valorem taxation.

[C]D. Definitions: For purposes of this section:

“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.

E[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.

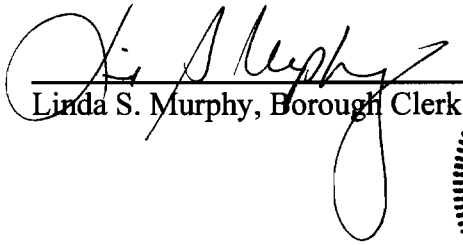
SECTION 2. This ordinance shall take effect January 1, 2000.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 6TH DAY OF APRIL, 1999.



Ronald Wm. Drathman, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

