

Introduced by: Mayor  
Date: June 18, 1991  
Vote: ADOPTED  
Action: UNANIMOUS

KENAI PENINSULA BOROUGH

RESOLUTION 91-80

APPROVING A WAIVER OF PROPERTY TAX PENALTY AND INTEREST IN SETTLEMENT OF THE TAX APPEAL OF SALAMATOF NATIVE ASSOCIATION INC.

WHEREAS, Salamatof Native Association Inc., appealed the Borough property taxation of its property to the Kenai Superior Court in 1986; and

WHEREAS, in August 1988, the Superior Court judge (pro tem) ordered that Salamatof Native Association, Inc., could pay Borough property taxes by noninterest-bearing promissory note while the appeal was pending; and

WHEREAS, Salamatof Native Association, Inc., paid Borough property taxes by promissory note in 1988, 1989, and 1990; and

WHEREAS, the Alaska Supreme Court ruled in March 1991, that Salamatof Native Association, Inc.'s property was taxable, except for six parcels, but did not address the issue of whether penalties and interest would accrue on the taxable parcels during 1988-1990, regardless of the promissory note; and

WHEREAS, the tax appeal to the Supreme Court is in the process of being sent back to Superior Court for resolution of the remaining issues between Salamatof Native Association, Inc., and the Borough, including the issue of whether the Superior Court had the authority to order the Borough to accept the promissory notes, and whether penalties and interest accrue regardless of the promissory notes; and

WHEREAS, if the Borough and Salamatof Native Association, Inc., continue to dispute the penalties and interest issue in the Superior Court, there will be a great deal of staff time and money expended, with no guarantee that the Borough will prevail, and some risk that the Borough will not prevail; and

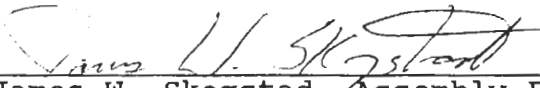
WHEREAS, the Borough and Salamatof Native Association, Inc., have reached a tentative agreement that if the assembly will waive penalties and interest on the 1988-1990 taxes, then Salamatof Native Association, Inc., will give up its dispute of the remaining issues, including an appeal to the U.S. Supreme Court of the Alaska Supreme Court's decision, and execute a final settlement agreement with the Borough, on all past disputes over Borough property taxation of its property;

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

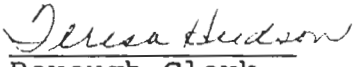
Section 1. That 1988-1990 Borough property tax penalties and interest on the Salamatof Native Association, Inc., parcels in dispute are waived.

Section 2. That this resolution takes effect upon execution of a final settlement agreement of the property tax dispute between the Borough and Salamatof Native Association, Inc.

18<sup>th</sup> ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS DAY OF June, 1991.

  
James W. Skogstad, Assembly President

ATTEST:

  
Acting Borough Clerk