

Introduced by: Sprague  
Date: 12/06/05  
Action: Failed  
Vote: 9 No, 0 Yes

**KENAI PENINSULA BOROUGH  
RESOLUTION 2005-108**

**A RESOLUTION ESTABLISHING A METHODOLOGY FOR APPORTIONING THE  
PERSONAL PROPERTY TAX ON VESSELS OVER 100 FEET IN LENGTH**

**WHEREAS**, on December 6, 2005, the Assembly enacted Ordinance No. 2005-44, which provided that a U.S. documented vessel over 100 feet in length shall be taxed at its full and true value unless it is used primarily in commercial fishing; and

**WHEREAS**, the ordinance provides that the value of a vessel that has acquired a tax situs elsewhere in addition to its tax situs in the Kenai Peninsula Borough shall be assessed on an apportioned basis; and

**WHEREAS**, the ordinance directs the assessor to establish formulas for calculating the proportion of the total value of a vessel that fairly reflects its use in the borough and further requires that the formula be approved by the Assembly; and

**WHEREAS**, the assessor has developed an apportionment formula that determines value on the basis of a ratio that compares the time a vessel spends in port in the borough with the number of days in the year; and

**WHEREAS**, the Assembly desires to approve the formula;

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

**SECTION 1.** Personal property tax on a vessel over 100 feet that has established a tax situs in places outside of the Kenai Peninsula Borough shall be apportioned as follows:

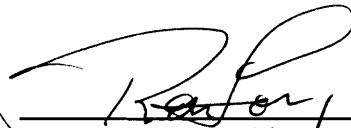
- A. A vessel owner will pay the personal property tax based on 100 percent of the assessed value, times a ratio determined by the number of days spent in the Kenai Peninsula Borough divided by 365;
- B. The number of days in the Kenai Peninsula Borough shall be determined by using the number of days in port in the borough during the year prior to the tax;
- C. Days in port do not include periods when a vessel is tied up because of strikes or withheld from Alaska service for repairs;

- D. The term "days in port" shall mean the time the vessel is within the limits of the borough's taxing jurisdiction. Any portion of a day a vessel is within the borough's taxing jurisdiction boundaries, that vessel will be considered to be in the limits of the borough's taxing jurisdiction for that entire day.

**SECTION 2.** If a taxpayer claims that in a particular case the apportionment formula approved in this Resolution does not reasonably represent the portion of the total value of the vessel that should be apportioned to the taxing situs of the Kenai Peninsula Borough, the taxpayer may petition, or the assessor may require, the use of another apportionment formula that will more fairly represent how the value should be apportioned among the Kenai Peninsula Borough and other taxing jurisdictions.

**SECTION 3.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS X DAY OF XX, 2005.**



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Ron Long, Assembly President

ATTEST:

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Sherry Biggs, Borough Clerk