

Introduced by: Scalzi
Date: 08/01/00
Hearing: 09/12/00
Action: Enacted
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2000-33**

AN ORDINANCE REVISING THE EXEMPTION PERIOD FOR “SEASONAL STORAGE” AND DEFINING “REPAIRS/SERVICING” TO CLARIFY EXEMPTION DETERMINATION

WHEREAS, taxpayers and boat owners have complained that the current specified time frame is not adequate to complete vessel repairs and results in taxation of boats brought into the borough for repair; and

WHEREAS, business owners within the borough are placed at a disadvantage because boat owners take their business outside the Kenai Peninsula Borough to avoid Kenai Peninsula Borough taxes; and

WHEREAS, there has been confusion about a time frame for repairs and service which qualify for this exemption; and

WHEREAS, in Ordinance 98-64 the assembly approved additions to KPB 5.12.150(B) and (C); and

WHEREAS, a new section C was added to KPB 5.12.150 in Ordinance 99-15, and the prior changes were inadvertently omitted; and

WHEREAS, to eliminate any ambiguity, the amendments are reaffirmed in this ordinance;

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

SECTION 1. That it is hereby affirmed that the provisions of KPB 5.12.150(B) are as follows as enacted in Ordinance 98-64:

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 ordinance. 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.

SECTION 2. That KPB 5.12.150(D) is hereby amended and reaffirmed as follows:

D. Definitions: 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] June of each year. Vessels remaining in the borough in the remaining months will not be eligible for the seasonal storage exemption.

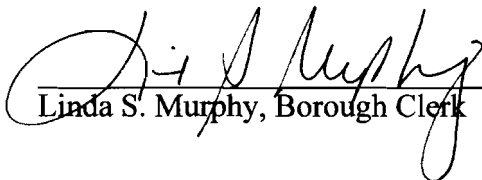
3. "Repairs/servicing" means a vessel brought into a boatyard licensed to collect sales taxes for the purpose of repairs or servicing at any time between September and June of each year. Vessels remaining in the borough in the remaining months will not be eligible for the repair/servicing exemption.

SECTION 3. That this ordinance takes effect immediately upon its adoption.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 12TH DAY OF SEPTEMBER, 2000.


William Popp, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk

