

Introduced by: Mayor  
Date: 10/10/00  
Hearing: 11/21/00  
Action: Enacted  
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH  
ORDINANCE 2000-55**

**AN ORDINANCE AMENDING KPB 5.12.080 AND 5.12.190 CHANGING THE DATES  
ON WHICH PROPERTY TAXES BECOME DELINQUENT, AND THE RATES  
CHARGED FOR PENALTY AND INTEREST ON DELINQUENT TAXES**

**WHEREAS,** providing borough taxpayers with the option of paying their property taxes in full by October 15<sup>th</sup> or in two equal installments on September 15<sup>th</sup> and November 15<sup>th</sup> without the accrual of penalty or interest may reduce the number of delinquent property tax accounts; and

**WHEREAS,** the potential loss of interest income resulting from a later first half tax due date and lower penalty and interest revenue may be offset by an increase in interest income due to a lower rate of tax delinquencies; and

**WHEREAS,** the current penalty for late payment of property taxes of 12 percent combined with an interest charge of 12 percent per year results in an significant financial hardship on individuals having temporary difficulty making timely tax payments; and

**WHEREAS,** providing for incremental application of the property tax late payment penalty and reducing the rate of interest charged on delinquent balances will make it easier for delinquent taxpayers to bring their tax accounts current without reducing the incentive for timely payment; and

**WHEREAS,** a telephone survey of other Alaskan communities that administer property tax systems indicates that most municipalities apply late payment penalties incrementally over a period of several months rather than in one lump sum;

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

**SECTION 1.** That KPB 5.12.080 is amended as follows:

A. [TAXES MAY BE PAID IN TWO EQUAL INSTALLMENTS. FIRST ONE-HALF TAXES ARE PAYABLE ON JULY 1ST, BECOME DUE ON AUGUST 15<sup>TH</sup> AND ARE DELINQUENT THEREAFTER. SECOND ONE-HALF TAXES ARE PAYABLE ON OCTOBER 1<sup>ST</sup>, BECOME DUE ON NOVEMBER 15<sup>TH</sup> AND ARE DELINQUENT THEREAFTER. THE ENTIRE TAX MAY BE PAID DURING THE FIRST INSTALLMENT PERIOD.] Taxes are payable when billed. Payment in full is due on or before October 15<sup>th</sup> and becomes delinquent thereafter. At the option of the taxpayer, taxes may be paid in two equal installments. If the taxpayer elects this option, the first one-half of the taxes payable must be paid on or before September 15<sup>th</sup>. The second one-half taxes then become due on or before November 15<sup>th</sup> and become delinquent thereafter. If the first one-half of the taxes payable is not paid by September 15<sup>th</sup>, payment of the taxes in full becomes due on or before October 15<sup>th</sup>.

B. If the [INSTALLMENT IS] taxes are not paid when due penalty and interest accrue as

follows:

1. A penalty of [12] 5 percent of the [DELINQUENT] taxes due shall be added to all [FIRST HALF TAXES DELINQUENT AFTER AUGUST 15<sup>TH</sup>,] delinquent taxes on the day they become delinquent and an additional penalty of [12] 5 percent [OF THE DELINQUENT TAX SHALL BE ADDED TO ALL SECOND HALF TAXES DELINQUENT AFTER NOVEMBER 15] of the taxes due shall be added to any tax more than 30 days delinquent.
  2. Interest at a rate of [12] 10 percent a year shall accrue upon all [FIRST HALF] delinquent unpaid taxes [AFTER AUGUST 15<sup>TH</sup> AND UPON ALL SECOND HALF DELINQUENT UNPAID TAXES AFTER NOVEMBER 15], not including penalties, from due date until [DATE] paid in full.
- C. If [AUGUST] September 15<sup>th</sup>, October 15<sup>th</sup>, or November 15<sup>th</sup> falls on Saturday, Sunday, or a legal holiday, the taxes normally due on such date shall be due on the next business day and shall be delinquent thereafter.
- D. A payment of taxes made by mail shall not be considered delinquent if the postmark on the envelope indicates the date of mailing to be on or before the first business day following the date on which the taxes become due pursuant to other provisions of this section.
- E. A payment of taxes received by the borough on the first business day after the normal due date shall not be considered delinquent.
- F. On supplemental billings where there is only one installment, late payment penalty of [12%] 5 percent of the taxes due shall be added to all delinquent taxes on the day they become delinquent and an additional penalty of 5 percent of the taxes due shall be added to any tax more than 30 days delinquent [ON THE ENTIRE BALANCE SHALL BE LEVIED IF PAYMENT IN FULL IS NOT RECEIVED BY THE BILLING DUE DATE]. Interest shall be calculated at [12%] 10 percent per year from the date that the taxes would have ordinarily come due in accordance with KPB 5.12.190(A).

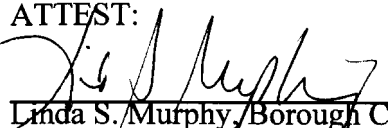
**SECTION 2.** That KPB 5.12.190 is amended as follows:

- A. If no return is filed as required by Section 5.12.180 or if the return is filed late, the taxpayer shall pay a penalty of 10 percent of any personal property tax thereafter levied, plus interest on the tax at [12] 10 percent from the date the taxes would ordinarily come due.

**SECTION 3.** That the amendments to KPB 5.12.080 (A) and (C) shall take effect January 1, 2001. All other amendments included in this ordinance shall take effect on November 15, 2000.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF NOVEMBER, 2000.**

  
Timothy Navarre, Assembly President

ATTEST:  
  
Linda S. Murphy, Borough Clerk

