

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2015-19

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE CHAPTER 4.15 TO ADD ADDITIONAL PENALTIES FOR FAILING TO FILE A PERSONAL/BUSINESS PROPERTY TAX RETURN, ADDING NEW SECTION 4.15.052 TO CLARIFY TAX ASSESSMENTS OF AIRCRAFT, ADDING NEW SECTION 4.15.091 REGARDING AUDITS OF PERSONAL/BUSINESS PROPERTY, COMBINING SECTIONS 4.15.180 AND 4.15.100 TO CLARIFY PENALTIES FOR VIOLATIONS, AND AMEND SECTION 1.20.040 TO ADD A FINE FOR FILING A FALSE TAX STATEMENT

WHEREAS, it is necessary to make it clear that aircraft must be reported as personal property each year; and

WHEREAS, the City of Dillingham desires to put more enforcement behind filing personal/business property returns by changing its existing fee structure;

NOW, THEREFORE, BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a code ordinance.

Section 2. Amendment of Chapter 4.15. Chapter 4.15 of the Dillingham Municipal Code is hereby amended by the addition of a new section 4.15.052 to read as follows:

4.15.052 Aircraft.

A. For the purpose of assessing, levying, and collecting taxes, any aircraft which is used for personal or commercial purposes within city limits, or which is registered and/or stored within city limits at any time in a tax year shall be considered personal property and the owner shall provide the taxable value of the aircraft to the City. All aircraft which are not subject to personal property taxation as non-scheduled air carriers under DMC 4.15.055 are subject to personal property taxation under this section.

B. All aircraft owners must file a personal/business property tax return indicating the value of the aircraft as of January 1 of each tax year. Aircraft are assumed to be present within the city year round unless demonstrated otherwise. If the owner of an aircraft can demonstrate the aircraft was absent one or more days during the tax year, the owner shall file a return indicating (1) the value of the aircraft, and (2) the number of days the aircraft was not in Dillingham. This assessed value of such aircraft shall be determined by the following formula:

Assessed value = (fair market value / 365 days) x number of days [including partial days] in Dillingham

C. An aircraft that is in transit and does not receive any benefit or services in Dillingham during the year is not subject to taxation under this section.

Section 3. Amendment of Chapter 4.15. Chapter 4.15 of the Dillingham Municipal Code is hereby amended by the addition of a new section 4.15.091 to read as follows:

4.15.091 Audit personal/business property.

As part of the contracted services, the assessor may be asked to provide onsite audits of personal/business property.

Section 4. Repeal and re-enactment of Section 4.15.100. Section 4.15.100 of the Dillingham Municipal Code is hereby repealed and re-enacted to read as follows:

4.15.100 Violations, penalties, and interest

A. Any person who fails to file a personal/business property assessment tax return in person or postmarked on or before the first business day in February shall be assessed a late penalty of fifty dollars (\$50).

B. If the city is required to initiate a force filing on a person’s personal/business property assessment return not received before the first business day in March, the following penalties will be imposed in addition to the penalty required by the previous subsection.

1. First year the force filing fee is one hundred dollars (\$100);
2. Second consecutive year the force filing fee is two hundred and fifty dollars (\$250); and
3. Third and every consecutive year thereafter the force filing fee is four hundred dollars (\$400) and an onsite audit shall be scheduled.

~~4.15.180-A.~~ C. A penalty of ten percent of the property tax due by the dates established in DMC 4.15.160(C), shall be added to all delinquent taxes, and interest of six percent per year shall accrue on unpaid taxes, not including penalty from the date due until paid in full.

D. Filing a false statement in an attempt to evade taxation is unlawful and shall result in a fine in an amount not to exceed three hundred dollars (\$300) in addition to payment of all taxes and fees owed.

Section 5. Repeal of Section 4.15.180. Section 4.15.180 of the Dillingham Municipal Code is hereby repealed.

Section 6. Amendment to Title 1, Chapter 1.20, Section 1.20.040. That Dillingham Municipal Code 1.20.040 – Minor Offense Fine Schedule is hereby amended by the addition of new language to read as follows:

Code Section	Offense	Penalty/Fine
4.15.100(D)	Filing a false tax statement	300

Section 7. Effective Date. This ordinance is effective upon passage.

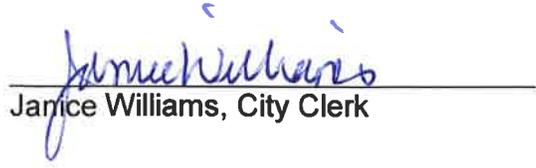
PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on Nov. 5, 2015.


Alice Ruby, Mayor

[SEAL]



ATTEST:


Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: October 15, 2015

Attachment to:

Ordinance No. 2015-19 / Resolution No. _____

Subject:

Amend DMC Chapter 4.15 to add additional penalties for failing to file a personal/business property tax return, add new section 4.15.052 to clarify tax assessments on aircraft, add new section 4.15.091 regarding audits of personal/business property, and combine sections 4.15.180 and 4.15.100

City Manager: Recommend Approval

Signature: Rose Deera

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

-An advertisement for a Public Hearing on Ordinance No. 2015-19 was scheduled to be placed in the October 29, 2015, edition of the Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing, which is scheduled for November 5, 2015.

Summary Statement:

The Code Review Committee was tasked with reevaluating the property tax for aircraft after a citizen voiced his concern that aircraft owners may be storing their aircraft outside city limits, because of the property tax, resulting in less business for those who maintained them. The committee reviewed:

- 1) changing to a flat registration fee for aircraft;
- 2) the criteria that determined if an aircraft was taxable even though it was not stored year round in Dillingham;
- 2) stricter enforcement for chronic non-filing.

It was advised that a flat registration fee would generate significantly less revenue. The committee was not recommending this course of action at this time. However, the committee agreed that there needed to be stricter penalties for not filing a tax return. The recommended increasing the force filing fee for each consecutive year, requiring an onsite audit, and charging a late penalty fee in addition to the force filing fee. The city was advised by its attorney and assessor that it could also adopt an allocation formula to collect personal property tax based on the aircraft's value and the number of days in Dillingham during the previous calendar year.

The Committee is recommending Ord. No. 2015-19 to the Council for adoption. It was introduced October 15, 2015, and is scheduled for a public hearing November 5, 2015.



Attachment to: 2015-19 / Resolution No. _____
Ordinance No. _____

Summary Statement continued:

Route to	Department Head	Date
X	Finance Director	11/6/15
X	City Clerk	11/6/15