

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2018-06**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE CHAPTER 4.15.030, RENEWING THE TAXABLE AMOUNT FOR FISHING VESSELS AND AIRCRAFT**

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WHEREAS, to encourage local vessel and aircraft storage a tax cap was established in 2015; and

WHEREAS, Dillingham Municipal Code 4.15.030 G and I have a sunset clause that expires in December 2018; and

WHEREAS, the City wishes to extend the sunset clause to December 31, 2021;

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

**Section 1. Classification.** This is a code ordinance.

**Section 2. Amendment of Section 4.15.030.** Section 4.15.030 of the Dillingham Municipal Code is hereby amended as follows with new language underlined and **emboldened** and deleted language shown as ~~strikethrough~~.

**4.15.030 Real and personal property exemptions.**

A. The property listed in AS 29.45.030 is exempt from general taxation, subject to the requirements set out therein and in this section.

B. Application Required. An application provided by the city for an exemption from taxation of property shall be filed with the city in accordance with AS 29.45.030.

C. Senior Citizen or Disabled Veteran Eligibility.

1. Residents of the city of Dillingham are eligible for a real property tax exemption on the first one hundred fifty thousand dollars of assessed value on the real property they own and occupy as a primary residence and permanent place of abode if the individual meets one of the following requirements:

a. Sixty-five years of age or older;

b. Disabled veteran; or

c. At least sixty years old who is the widow or widower of a person who qualified for an exemption under subsection (C)(1)(a) or (b) of this section.

d. To be eligible for an exemption under this subsection (C) for a year, the resident shall also meet all requirements for a permanent fund dividend under AS 43.23.005 for the same year or for the immediately preceding year.

2. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption.
3. "Disabled veteran" means a disabled person:
  - a. Separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as fifty percent or more by the branch of service in which that person served or by the United States Department of Veterans Affairs; or
  - b. Who served in the Alaska Territorial Guard, who is a resident of the state, whose disability was incurred or aggravated while serving in the Alaska Territorial Guard, and whose disability has been rated as fifty percent or more.
4. **Assessment Date.** In order to qualify for an exemption described in this section, an applicant must fulfill the requirements for the exemption as of January 1st in the tax year for which the exemption is sought.
5. **Filing Deadline.** An application for exemption shall be filed no later than February 15th of the assessment year for which the exemption is requested.
6. **Deadline Extension for Good Cause.** The assessor may accept an exemption application after February 15th and up to May 25th of the assessment year for which the exemption is requested only upon a showing of good cause. A request to accept a late filed exemption application for a tax year shall be filed with the finance director. A denial of such a request may be appealed to the board of equalization pursuant to subsection (C)(12) of this section. Notwithstanding any other provision of law, a request to accept a late filed exemption application shall not be granted if it is not filed on or before May 25th of the tax year for which the exemption is sought.
  - a. "Good cause," for purposes of waiver of the filing deadline, is a written explanation by a medical doctor which unequivocally establishes that the person seeking the exemption was physically or mentally incapacitated and therefore unable to submit a timely application or to appoint an authorized representative to file an exemption application on his or her behalf.
7. **Senior Citizen Applications.**
  - a. Qualifying senior citizen applicants are not required to reapply annually and shall remain in exempt status until the time when changes in ownership, occupancy, property use, or other factors affecting the exemption causes the property to either spatially qualify or no longer qualify for exempt status.
8. **Disabled Veterans Applications.**
  - a. The city shall accept disabled veteran applications for previous tax years only where the disabled veteran has made timely application for each year the exemption is sought and has received a qualifying retroactive disability evaluation from the Veterans Administration or applicable branch of service.
  - b. Qualifying disabled veterans who are permanently disabled are not required to reapply annually and shall remain in exempt status until the time when changes in ownership, occupancy, property use, status of disability or other factor affecting the

exemption causes the property to either spatially qualify or no longer qualify for exempt status.

c. Disabled veterans who have not received a permanent disability rating are required to file annually.

9. City Notification. Property owners shall notify the city when the requirements for exemption are no longer met.

10. Assessor Determination and Request for Proof. If the assessor determines that a property is not eligible for exemption, all taxes, penalty and interest due on the property from the tax lien date following the date the property should have been subject to taxation are immediately due and owing. The assessor may require proof under this section at any time.

11. Certain Exempted Properties. Laws exempting certain property from execution under the Code of Civil Procedure (AS 09) do not exempt the property from taxes levied and collected by municipalities.

12. Appeal. A person may appeal the city's denial of an application for the exemption of property from taxation to the board of equalization pursuant to Sections 4.15.125 through 4.15.140.

a. The appeal shall be filed with the city clerk, in writing, setting forth with specificity the explanation in support of the reason for the appeal, within thirty days of the city's determination to deny the exemption application.

b. The board of equalization's decision on the appeal may be filed as an administrative appeal to the superior court within thirty days, which appeal shall be on the record on which the board of equalization based its merits.

13. Review Applications. The city's finance director will review one-third of the applications annually on a rotating basis.

D. Real property interests, other than fee simple record ownership, of an individual residing on the property, if the property has been developed, improved, or acquired with federal funds for the provision of low-income housing on or before September 1, 2017, and is owned or managed as low-income housing by either the Alaska Housing Finance Corporation under AS 18.55.100 through 18.55.960 or a regional housing authority formed under AS 18.55.996. This section does not prohibit the city from continuing to receive payments in lieu of taxes authorized under federal law.

E. Snowmobiles and three-, four-, or six-wheel all terrain vehicles (not to exceed manufactured dry weight of one thousand pounds) shall be exempted from personal property taxation.

F. Recreational boats and all outboard motors shall be exempted from personal property taxation. For purposes of this exemption "recreational boats" means watercraft used or capable of being used as a means of transportation on water and used exclusively for purposes other than commercial purposes and which are otherwise exempt from taxation under this section.

"Commercial purposes" means activities for which a person receives direct monetary compensation or activities for which a person receives no direct monetary compensation, but that are incidental to and done in furtherance of the person's business.

G. The following boats are not exempt from personal property taxation under this section:

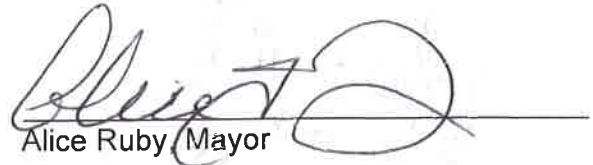
1. Boats used for commercial purposes, the amount of the assessed valuation over three hundred thousand dollars is not taxable. Unless renewed by the Dillingham city council, the exemptions granted under this subsection shall expire on December 31, 2018 2021, after which the full and assessed value of such vehicles shall be taxable;
2. Boats required to display a commercial operator permit under state law or regulation;
3. Fishing vessels required to display a number plate by AS 16.05.520(A) or any successor state law or regulation;
4. Boats for which a commercial vessel license is required under state law;
5. Boats owned or operated at any time during the preceding calendar year for the purpose of the taking, fishing for, or possession of fish, shellfish, or other fishery resources with the intent of disposing of them for profit, or by sale, barter, trade, or in commercial channels regardless of whether the boat was actually used for this purpose;
6. Boats for which a vessel entry permit is required; and
7. Boats operated at any time during the preceding calendar year for hire.

H. Rental household and office furniture are exempt.

I. The amount of the assessed valuation of any aircraft subject to taxation under Section 4.15.052 that exceeds three hundred thousand dollars is not taxable. Unless renewed by the Dillingham city council, the exemption granted under this subsection shall expire on December 31, 2018 2021, after which the full and assessed value of such aircraft shall be taxable.

**Section 3. Effective Date.** This ordinance is effective upon passage.

BE IT ENACTED by the Dillingham City Council on October 4, 2018.

  
Alice Ruby Mayor

ATTEST:

[SEAL]

  
Lori Goodell, City Clerk

**City of Dillingham Information Memorandum**

Agenda of: October 4, 2018

Attachment to:

Ordinance No. 2018-06 / Resolution No. \_\_\_\_\_

**Subject:**

Ordinance 2018-06, An Ordinance of the Dillingham City Council Amending Dillingham Municipal Code Chapter 4.15.030, Exemptions Renewing the Taxable Amount for Fishing Vessels and Aircraft

City Manager: Recommend Approval

Signature: 

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

- overview personal property tax cap analysis

**Summary Statement:**

In 2015 the City placed a tax cap on personal property valuation for fishing vessels and aircraft. This change was made effective for three years and will expire in December of 2018.

The Code Review Committee discussed the sunset clause and determined it is in the best interest of the City to extend the date to December 2021.

An advertisement for a Public Hearing on Ordinance No. 2018-06 was scheduled to be placed in the September 27, 2018, 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 October 4, 2018.

Attachment to: 2018-06 / Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_

**Summary Statement continued:**

Route to	Department Head	Date
	Finance Director	
X	City Clerk	