

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2013-13

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING SECTION DMC 4.15.030, EXEMPTIONS, TO PROVIDE A CAP ON PERSONAL PROPERTY TAX FOR BOATS AND VESSELS IF THE ASSESSED VALUATION IS MORE THAN \$300,000

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a code ordinance.

Section 2. Amend Section 4.15.030, Exemptions. Section 4.15.040 of the Dillingham Municipal Code is hereby amended as follows with new text displayed in bold and underlined font and deleted text displayed in strike out font.

4.15.030 Exemptions.

A. Property exempted from taxation shall be those items cited at AS 29.45.030, including rental household and office furniture.

B. 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.

C. 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.

- D.** 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 \$300,000 is not taxable. Unless renewed by the Dillingham City Council, the exemptions granted under this subsection shall expire on December 31, 2018, 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 by 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. (Ord. 01-12 § 1 (part), 2001; Ord. 08-02 § 3, 2008.)

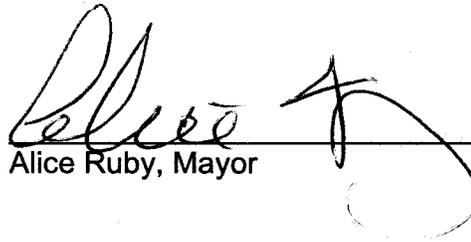
Section 3. Effective Date. This ordinance is effective upon passage.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on

June 27, 2013

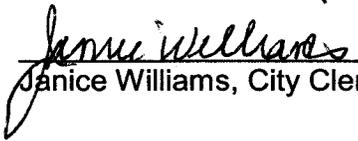
SEAL:





Alice Ruby, Mayor

ATTEST:



Janice Williams, City Clerk

Subject: Introduce Ordinance No. 2013-13, An Ordinance of the Dillingham City Council Amending Section DMC 4.15.030, Exemptions, to Provide a Cap on Personal Property Tax for Boats and Vessels if the Assessed Valuation is More Than \$300,000

Agenda of: June 27 , 2013

Council Action: This ordinance was introduced at the June 13 Council Meeting.

Manager: Recommend approval.

City Manager: Rose Loera
Rose Loera

Route To:	Department / Individual	Initials	Remarks
X	Finance Director / Carol Shade	CS	
X	City Clerk / Janice Williams	JW	

Fiscal Note: Yes _____ No X Funds Available Yes _____ No _____

Other Attachment(s):

- Notice of a Public Hearing was advertised in the June 20, 2013 edition of Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing.

Summary Statement.

This ordinance was vetted through the Code Review Committee and is being recommended for adoption. It was also reviewed by the City's Attorney.

At the May 9 Regular Council Meeting, Yeganeh Ataian from Bristol Alliance Fuels spoke on behalf of Bristol Alliance Fuels. Her proposal involved establishing and developing a marine industrial center, where they would provide services hauling barges and vessels, and storing them on their property. Dillingham is the gate to the western Alaska marine industry with large predictable tides and the first location that is ice free, and in the fall last area to be covered by ice, making it very attractive to those involved in vessel storage. Most large vessels are stored in water, but storing them on dry land would keep them from having to go back and forth to other ports, providing opportunities for repair work and upgrades.

She was asking for a consideration to cap the personal property tax for the large vessels, similar to other ports, and align with BB Borough which capped at \$300,000, in order to entice the vessels to dock in Dillingham. It would be a good opportunity for the community to develop itself, and place Dillingham on the map when it came to storage of large vessels. With each vessel, this would gain \$4,000 for each vessel stored, where currently there is no storage. She was asking the Council to expedite their request, because they were looking to store the boats starting this fall, the haul out equipment was stage ready to be ordered if their request for a cap on tax is resolved. Noted there are some large vessels in Naknek that need to move due to lack of storage area, and were planning to move to Homer, where the tax cap was \$1,200, even though the travel time to Homer would be lengthy. Concerned the vessel owners would enter into a term contract, five years, and wanted to move quickly.

The Finance Director reviewed the Personal and Business Tax records for Fiscal Years 2010, 2011, 2012, and 2013. In those four years the highest value on a fishing vessel was \$268,840.



NOTICE OF A PUBLIC HEARING

Public Hearing on Ordinance Nos. 2013-09 (SUB-1), 2013-12, 2013-13, and 2013-14 (SUB-1)

The City Of Dillingham will hold a Public Hearing on Thursday, June 27, 2013, at 6:00 P.M. in the City Council Chambers for the purpose of taking comment from the public on the following ordinances:

Ordinance No. 2013-09 (SUB-1), An Ordinance of the Dillingham City Council Authorizing Disposal of Municipal Property to Delta Western by Lease

Ordinance No. 2013-12, An Ordinance of the Dillingham City Council Adopting the Budget and Appropriating Funds for the FY 2014 City of Dillingham Budget

Ordinance No. 2013-13, An Ordinance of the Dillingham City Council Amending Section DMC 4.15.030, Exemptions, to Provide a Cap on Personal Property Tax for Boats and Vessels if the Assessed Valuation is More Than \$300,000

Ordinance No. 2013-14 (SUB-1), An Ordinance of the Dillingham City Council Repealing and Reenacting Chapter 11.20 of the Dillingham Municipal Code Pertaining to the Use of Off-Road Vehicles Within the Boundaries of the City of Dillingham

If you have any questions, please forward them to the City Clerk's office at 842-5212 or email cityclerk@dillinghamak.us