

Sponsors: Knox / Potrzuski

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-32 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2018-32

BALLOT PROPOSITION OCTOBER 2018

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING ARTICLE XIII “TAXATION”, SECTION 13.03 “PROPERTY TAX LIMIT”, OF THE HOME RULE CHARTER OF THE CITY AND BOROUGH OF SITKA, BY INCREASING THE PROPERTY TAX LEVY LIMIT BY TWO TENTHS OF ONE PERCENT (2 MILLS), FROM SIX TENTHS OF ONE PERCENT (6 MILLS) TO EIGHT TENTHS OF ONE PERCENT (8 MILLS) OF THE ASSESSED VALUATION OF THE PROPERTY TO BE TAXED; AND, SUBMITTING THE QUESTION OF SUCH AN AMENDMENT TO THE QUALIFIED VOTERS AT A REGULAR ELECTION ON OCTOBER 2, 2018

1. CLASSIFICATION. All sections of this ordinance, except section 5 regarding the ballot proposition, are of a permanent nature, with section 4 intended to become a part of the Home Rule Charter of the City and Borough of Sitka (“Charter”), if approved by the qualified voters at the October 2, 2018, regular election.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. PURPOSE. The purpose of this ordinance is to raise revenue for the City and Borough of Sitka by increasing the property tax levy limit by two mills, from six mills to eight mills of the assessed valuation of the property to be taxed. In order to take effect, this ordinance must be approved by the voters in a ballot proposition at the next regular election. The Assembly will contemporaneously consider another ordinance which exempts groceries and residential utilities from sales tax, but such exemptions will only take affect if the aforementioned ballot proposition is approved.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Article XIII, entitled “Taxation”, Section 13.03, entitled “Property Tax Limit”, of the Charter, is amended to read as follows (new language underlined; deleted language stricken):

* * *

**HOME RULE CHARTER
ARTICLE XIII
TAXATION**

* * *

Section 13.03 Property Tax Limit

The property tax levy shall not exceed ~~six~~ eight tenths ~~(0.006)~~ (0.008) of one per cent ~~(6 mill)~~ (8 mills) of the assessed valuation of the property to be taxed. The voters may raise this limit by an affirmative vote of the majority of the voters participating in a special or regular election.

53 This section shall not in any way limit the ability of the municipality to meet its bonded
54 obligations and in no event shall the property tax levy during a year exceed three percent (thirty
55 mills) of the assessed value of the property in the municipality.
56

57
58 **5. BALLOT PROPOSTION.** The following question shall be placed before the voters at
59 the regular election to be held on October 2, 2018:
60

61 Proposition No. _____

62
63 Shall the Home Rule Charter of the City and Borough of Sitka be amended to
64 increase the property tax levy limit from 6 mills to 8 mills?
65

66 YES NO
67

68 **Informational:** A "mill" is equal to one tenth of one percent (0.001) of the
69 assessed valuation of the property to be taxed. The current allowable millage rate
70 limit is 6 mills. An affirmative vote on this proposition would amend the Home Rule
71 Charter Article XIII, entitled "Taxation", at Section 13.03, entitled "Property Tax
72 Limit", by increasing the allowable millage rate limit by 2 mills, from 6 mills to 8 mills.
73 If approved by the voters, this amendment will become effective January 1, 2019.
74

75 Furthermore, on the same date this ballot proposition was brought before the
76 Assembly, Ordinance No. 2018-31 was brought before the Assembly. The purpose
77 of that ordinance was to exempt groceries and residential utilities from sales tax
78 should this ballot proposition be approved by the voters.
79

80
81 **6. EFFECTIVE DATE.** This ordinance shall become effective on the day after the date
82 of its passage.
83

84 The amendment to the Charter set forth in Section 4 hereof shall only become effective if
85 the ballot proposition set forth in Section 5 hereof is approved by a majority of the qualified
86 voters at the regular election held on October 2, 2018. Subject to the foregoing, the effective
87 date of this amendment shall be January 1, 2019.
88

89 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
90 Sitka, Alaska this 24th day of July, 2018.
91

92
93
94 _____
95 Matthew Hunter, Mayor

96 ATTEST:

97 _____
98 Sara Peterson, MMC
99 Municipal Clerk

100 1st reading 7/10/18
101 2nd reading 7/24/18
102

103 Sponsors: Knox / Potrzuski