

Kenai Peninsula Borough
Assessing Department

MEMORANDUM

TO: Brent Hibbert, Assembly President Pro Tem
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Melanie Aeschliman, Director of Assessing *MA*

DATE: October 29, 2020

RE: Ordinance 2020- 46, Amending KPB 5.12.150(D) "Home Port"
Definition and Defining "Boatyard" for Personal Property Tax Purposes
(Mayor)

KPB 5.12.150(D) establishes a personal property flat tax on boats, vessels or watercraft that meet the criteria set out in borough code. It excludes vessels with a home port in a location outside of the borough and brought into the borough solely for repair, servicing or seasonal storage in a boatyard. Taxpayers have often expressed concern with the definition of "home port" which deems the home port to be located in the borough if "the owner resides in the borough" because it allows for borough taxation of fishing vessels that have situs in another taxing jurisdiction as well as the borough solely due to the fact that the owner is a resident of the borough.

The proposed amendment to the definition of "Home port" will establish a rebuttable presumption that the area where a commercial vessel is permitted to fish is the vessel's normal base of operation for KPB 5.12.150 personal property tax purposes. The new definition for a "boatyard" in this section of code establishes that a boatyard is an out-of-water location for purposes of KPB 5.12.150.

Your consideration of this ordinance is appreciated.