



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091

COUNCIL MEMORANDUM NO. 95-29

From: Mayor Stein
Date: March 21, 1995
Subject: Airplane Assessment Limitation

As you will recall the Mat-Su Borough acted to limit property tax valuation of aircraft to \$5,000. A Wasilla aircraft owner inquired about the city's current policy. To date the City has not changed its policy on assessed values and would tax on the full value of an airplane, boat, truck camper shell or unlicensed off road vehicle (O.R.V.).

The City has these options:

- 1) No change - charge our property tax mill levy (2.0 mills as an example) on the full value of an airplane, boat, camper shell or O.R.V.
- 2) Amend our code by ordinance to follow the borough's new policy to limit assessments of aircraft, boats and camper shells to \$5,000/each and to exempt unlicensed O. R.V.'s.
- 3) Do something else.

According to the borough assessor in 1994 in Wasilla there were:

72 Aircraft assessed at	1,700,000 or about 25,000 each
126 Boats assessed at	348,000 or about 2,800 each
49 Camper shells assessed at	46,000 or about 1,000 each
84 O.R.V. assessed at	171,000 or about 2,100 each

Total assessed value 1994	<u>\$2,265,000</u>
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Tax revenue for the City 2.0 mill levy only is estimated as follows:

Option 1 (no change) $.002 \times \$2,265,000 = \$4530/\text{year}$ City tax revenue
 Option 2 (MSB limits) $.002 \times \$400,000 = \$800/\text{year}$ City tax revenue
 Revenue loss to City with Option 2 <\$3730/year>

The impact on owners taxes paid would be as follows:

Aircraft 25,000 x .002 =	\$50.00 present tax
Option 2: 5000 x .002 =	<u>10.00</u> new tax
	\$40.00 savings

Boat 2,800 x .002 =	\$5.60 present tax
Option 2: less than \$5000	<u>no tax</u>
	\$5.60 savings

Area Code (907)

Administration
Ph: 373-9055
Fx: 373-9085

Clerks Office
Ph: 373-9065
Fx: 373-9085

Finance
Ph: 373-9070
Fx: 373-9085

Library
Ph: 376-5913
Fx: 376-2347

Museum
Ph: 373-9071
Fx: 373-9072

Planning
Ph: 373-9074
Fx: 373-9085

Ph: 373-9077
Fx: 373-9051

Public Works
Ph: 373-9095
Fx: 373-9085

Ph: _____
Fx: _____

Camper Shell \$1000 x .002 = \$2.00 present tax
Option 2: less than \$5000 = no tax
\$2.00 savings

O.R.V. \$2100 x .002 = \$4.20 present tax
Option 2: exempt = no tax
\$4.20 savings

There has been an extended public debate on this issue at the borough level. The assembly compromised at \$5,000 limitation and exemption of O.R.V.'s. For consistency I recommend that no third choice be considered for Wasilla.

Council is respectfully asked to consider this issue. Should it choose to offer this tax limitation it may do so by introducing Ordinance 95-18 for public hearing April 10, 1995.



John C. Stein, Mayor

CODE ORDINANCE

INTRODUCED BY: Borough Manager

MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 94-085 (SUB1)(AM)

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY PARTIALLY EXEMPTING CERTAIN CLASSIFICATIONS OF PERSONAL PROPERTY.

BE IT ENACTED:

* Section 1. Classification. This ordinance is of a general nature and shall become part of the borough code.

* Section 2. Amendment. MSB 3.15.035 is amended to add the following:
Chapter 3.15

ASSESSMENT AND TAXATION

3.15.035 Optional exemptions.

(C) The borough assessor shall:

- (1) classify boats and vessels for the purposes of taxation and may establish the assessed valuation of boats on the basis of their registered or certified net tonnage;
- (2) classify as to type and exempt or partially exempt any or all types of aircraft from taxation;
- (3) exempt or partially exempt from taxation all boats and vessels that are not documented under the laws of the United States;
- (4) exempt or partially exempt from taxation all pickup campers, shells and canopies;
- (5) exempt from taxation all unlicensed motorized all-terrain vehicles, snow machines and trail bikes.

(D) Personal property within the following classifications with tax situs within the borough is subject to the following exemption.

- (1) Any aircraft value that exceeds a value of \$5,000.
- (2) Any documented or undocumented vessel value that exceeds a value of \$5,000.
- (3) Any pickup camper, shell or canopy value that exceeds a value of \$5,000.


Post-it [®] Fax Note		7671	Date	3/15	# of pages	2
To	Erling Nelson		From	Clarks		
City/Dept	City of Wasilla		Co.	MSB		
Phone #			Phone #			
Fax #	373-9085		Fax #			

Number: ORD 94-085 (SUB1)(AM)
AM 94-281 (SUB1)(AM)

* Section 4. Effective date. Ordinance Serial No. 94-085(SUB1)(AM) shall take effect upon adoption by the Matanuska-Susitna Borough Assembly.

INTRODUCTION: _____ PUBLIC HEARING: _____

ADOPTED by the Matanuska-Susitna Borough Assembly, this 3rd day of January, 1995.



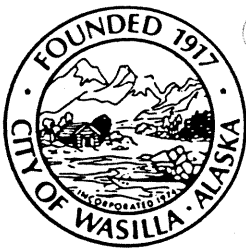
BARBARA LACHER, Borough Mayor

ATTEST:



LINDA A. DAHL, Borough Clerk

(SEAL)



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-9085

Elly

INQUIRY ACTION FORM Serial No. _____

Phone/ In-Person/ Written _____ Date 3/14 Time 3:30 Received By JES

Name Surge Amundson

Address: _____

Telephone No. 376-8141

Location: Address _____

Legal _____

Request/ Problem/ Complaint/ Compliment

Does city follow borough's limitation of \$5000
deduction on airplanes?

Referred to: Department finance please call him w/ info

Name Elly

Action: Received Date _____ Time _____ By _____

Long Term Policy Revision?
Administrative Procedure _____
Municipal Code _____
Other _____

Completed By _____ Date _____ Time _____