

**Substitute
Ordinance 12-10-308
Proposed by Assembly
Member Schnabel.**

From: Debra Schnabel [mailto:debra.schnabel@gmail.com]

Sent: Wednesday, October 31, 2012 3:54 PM

To: Julie Cozzi

Cc: Mark Earnest; Darsie Culbeck; Stephanie Scott; Joanne Waterman; Jerry Lapp

Subject: Vehicle Retirement Program Fund

With the concurrence of any legal beagles, I want to introduce the attached substitute ordinance for the Junk and Abandoned Vehicle Disposal Fund Ordinance.

We might need a legal review because my substitute deletes mobile homes from the program. We discussed this in committee, thinking that we could give a credit against property tax. But I eliminated them because I learned in reading the first proposed ordinance more closely, that by state law a vehicle subject to a vehicle registration tax is exempt from property tax. I do not want to lose the opportunity to tax mobile homes as property. This could be debatable.

So, I got to thinking even more....as a trailer park owner that has paid no less than \$3000 each to dispose of at least six (6) abandoned mobile homes in St. James Place, it would be nice to have a subsidized program that would take on mobile homes...so, I'm interested in that conversation too.....

Thanks!

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Debra

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HAINES BOROUGH, ALASKA
ORDINANCE No. 12-__-__

AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 3 TO ESTABLISH A VEHICLE RETIREMENT PROGRAM FUND, AND TO LEVY A MOTOR VEHICLE REGISTRATION TAX, AND TO EXEMPT FROM PROPERTY TAXES ALL VEHICLES SUBJECT TO THE REGISTRATION TAX:

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Sections 5, 6, and 7 of this ordinance are of a general and permanent nature and shall become a part of the Haines Borough Code. Sections 4 and 8 of this ordinance shall not be codified.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. Section 8 of this ordinance shall be effective upon adoption. All other sections shall be effective on January 1, 2014.

Section 4. Rational for Legislation

A. Vehicles that have exhausted their useful life must be disposed of in a manner that ensures against threats to the environment, reclaims resources that may be reused, and is financially feasible.

B. Environmental issues associated with the improper disposal or abandonment of vehicles often fall to local governments to address.

C. The cost of tracking down the owners of abandoned and junked vehicles to require them to pay the costs of disposal has not proven economical.

D. It is reasonable to require vehicle owners to participate in paying the costs of properly disposing of and recycling parts of retired vehicles, rather than using general tax revenues.

E. The State of Alaska allows local governments to levy taxes on motor vehicle registrations collected by the state, with an eight percent administrative fee.

F. State law requires that boroughs give notice of election to come under the state motor vehicle registration program by January 1st of the year before the tax goes into effect.

G. Vehicles subject to motor vehicle registration tax are exempted by state law from municipal personal property tax, and therefore, non-commercial trailers identified under AS 28.10.421(b)(6) are expressly excluded from participating in the Haines Borough Vehicle Retirement Program.

I. The state motor vehicle registration program includes exemptions such as senior citizens, disabled persons, and certain military personnel.

Section 5. Amendment of Title 3. Title 3 of the Haines Borough Code is hereby amended by the addition of a new chapter 3.46 titled "Vehicle Retirement Program Fund" to read as follows:

Chapter 3.46

VEHICLE RETIREMENT PROGRAM FUND.

Sections:

3.46.010 Policy and intent.

3.46.020 Allocation.

3.46.030 Management

3.45.040 Investment policy

3.46.010 Policy and intent.

The intent of this chapter is to provide for the proper accounting and management of public funds derived from the motor vehicle registration tax established by Chapter 3.85 of the Haines Borough Code of Ordinances and AS 28.10.431.

3.46.020 Purpose.

There is established a separate fund entitled the "Vehicle Retirement Program Fund." All proceeds derived by the borough from the motor vehicle registration tax shall be deposited in said fund and used for the purpose of providing for the responsible disposal of retired and abandoned vehicles within the borough.

3.46.030 Management.

The borough chief fiscal officer is designated as the official with the responsibility for managing the moneys received and disbursed by the Vehicle Retirement Program Fund and as directed by the assembly.

3.46.040 Investment policy.

Investment policy is set forth in Chapter 3.08 HBC.

Section 6. Amendment of Section 03.70.040(A). Haines Borough Code 03.70.040(A) is amended, to read as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED
~~STRIKETHROUGH~~ ITEMS ARE DELETED

3.70.040 Local exemptions and exclusions.

A. The following property is exempt from general taxation:

1. Business inventory and items held for resale;

2. ~~Personal motor vehicles.~~ **All motor vehicles which are subject to the**

Motor Vehicle Registration Tax described in Chapter 03.85.

Section 7. Amendment of Title 3. Title 3 of the Haines Borough Code is hereby amended by the addition of a new chapter 3.85 titled "Motor Vehicle Registration Tax" to read as follows:

Chapter 3.85

MOTOR VEHICLE REGISTRATION TAX.

Sections:

3.85.010 Levy of Motor Vehicle Registration Tax.

3.85.020 Allocation.

3.85.010 Levy of Motor Vehicle Registration Tax.

A. There is levied a biennial motor vehicle registration tax within the borough pursuant to the provisions of AS 28.10.431 and as such statute may be hereafter amended, revised or replaced. The rate of said tax shall be flat and established by resolution of the Haines Borough Assembly. The categories under "Type" are intended to coincide with the categories provided in AS 28.10.431(b), as now enacted or as may be hereinafter amended.

B. The annual motor vehicle tax on commercial vehicles that are registered annually is one-half the rate of the biennial tax.

MOTOR VEHICLE TAX SCHEDULE

BIENNIAL SCHEDULE Tax:

VEHICLE TYPE	
(1) Motorcycle	\$22
(2) Passenger (AS 28.10.421(b)(1)): non-commercial passenger vehicles, motor homes, and low speed vehicles; taxicabs	\$22
(3) Commercial (AS 28.10.421(c)(1-4))	
5,000 pounds or less	\$22
5001–12,000 pounds	\$22
12,001 – 18,000 pounds	\$22
18,001 pounds or over	\$22
(4) Commercial motor bus (AS 28.10.421(b)(4)): motor buses with a seating capacity for 20 or more persons and used exclusively for commercial purposes in transporting of visitors or tourists	\$22
(5) Non-commercial pickup/van (AS 28.10.421(b)(2): less than 10,000 pounds and not registered to a company or business	\$22
(6) amateur mobile radio station vehicles (AS 28.10.421(d)(8))	\$22
(7) vehicles eligible for dealer plates (AS 28.10.421(d)(9))	\$22

3.85.020 Allocation.

Subject to assembly appropriations, all of the money received by the borough under this section and AS 28.10.431, and as such statute may hereafter be amended, revised or replaced, shall be deposited in the Vehicle Retirement Program Fund established by in Chapter 3.46 of the Haines Borough Code of Ordinances.

Section 8. Notice. The Manager shall give notice to the State of Alaska pursuant to AS 28.10.431 that the Haines Borough has elected to levy this tax.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2012.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, Borough Clerk

Date Introduced: ___/___/12
Date of First Public Hearing: ___/___/12
Date of Second Public Hearing: ___/___/___