

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Department of Law and Finance  
Department, Property Appraisal  
and Treasury Divisions  
For reading: September 15, 2020

**ANCHORAGE, ALASKA  
AO No. 2020-96**

1 **AN OMNIBUS ORDINANCE OF THE ANCHORAGE ASSEMBLY REVISING**  
2 **ANCHORAGE MUNICIPAL CODE TITLE 12, TAXATION, BY REPEALING**  
3 **CHAPTER 12.08, REGISTRATION AND TAXATION OF AIRCRAFT; AND BY**  
4 **AMENDING CHAPTERS 12.05, REAL AND PERSONAL PROPERTY**  
5 **ASSESSMENT AND TAXATION, GENERAL PROVISIONS; 12.10, PERSONAL**  
6 **PROPERTY TAXATION; AND 12.15, REAL PROPERTY TAXATION.**

---

7  
8 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
9

10 **Section 1.** Anchorage Municipal Code chapter 12.08, Registration and Taxation  
11 of Aircraft, is hereby repealed in its entirety. The existing text of this chapter being  
12 repealed is attached as Exhibit A, in accordance with Anchorage Municipal Code  
13 1.05.050B.  
14

15 **Section 2.** Anchorage Municipal Code chapter 12.05, Real and Personal  
16 Property Assessment and Taxation, General Provisions, is hereby amended to read  
17 as follows (*the remainder of the chapter is not affected and therefore not set out*):  
18

19 \*\*\*                      \*\*\*                      \*\*\*  
20

21 **12.05.062 – Refunds; transfer of excess funds.**  
22

23 A. If, in payment of taxes legally imposed, a remittance by a taxpayer  
24 through error or otherwise exceeds the amount due, and the  
25 municipality, on audit of the account in question, is satisfied that this  
26 is the case, the municipality shall refund the excess to the taxpayer  
27 with interest at eight percent from the date of payment. A claim for  
28 refund filed one year or later after the due date of the tax, as billed to  
29 the property owner by the municipality, is forever barred.  
30

31 B. When, on audit of the account in question, the municipality determines  
32 that an account has excess funds, the municipality may, upon the  
33 taxpayer's authorization, transfer and apply the excess funds to the  
34 following property account(s) in the taxpayer's name:  
35

36 1. Toward the nearest future year taxes due on a parcel of  
37 property;  
38

39 2. To a personal property tax account; or  
40

3. To a Downtown Improvement District account.

- C. Payments received by the municipality and applied to the parcel of property for which the tax was legally imposed shall not be transferred to another parcel of property, nor shall refunds be applicable in such instances unless the refunds or transfers fall within the categories[Y] as defined in [THE] subsection A or B of this section, or [AND] section 6.30.090.

(AO No. 85-182, 1-1-86; AO No. 86-211(S-1); AO No. 93-104)

**12.05.065 – Payment of estimated taxes before transfer of alcoholic beverage or marijuana license.**

- A. *Protest of application for transfer.* The municipality shall protest an application requesting approval of a transfer of a liquor license or a marijuana license to another person for reasons of unpaid debts or taxes arising from the conduct of the business licensed.

1. The provisions of AS 04.11.360 require that an application for a transfer of a liquor license be denied if the transferor [TRANSFERROR] has not paid all debts or taxes arising from the conduct of the business licensed under AS title 4, and Alaska Administrative Code, 3 AAC 304.145(g) [15 AAC 104.145(g)], authorizes a local governing body to protest a transfer based upon nonpayment of current year estimated taxes so long as the local governing body has adopted an ordinance allowing for estimation of current year taxes.

2. The provisions of AS 17.38 allow for the denial of a transfer of a marijuana license, and Alaska Administrative Code, 3 AAC 306.060(b), authorizes a local governing body to protest a transfer based upon a determination that the marijuana establishment has not met the local government's requirements for licensure. [THE MUNICIPALITY SHALL PROTEST AN APPLICATION REQUESTING APPROVAL OF A TRANSFER OF A LIQUOR LICENSE TO ANOTHER PERSON FOR REASONS OF UNPAID DEBTS OR TAXES ARISING FROM THE CONDUCT OF THE BUSINESS LICENSED.]

- B. *Estimation of tax.* If application is made for the transfer of a liquor license or a marijuana license prior to the normal due date for the current year taxes, for the purposes of subsection A of this section, the municipality shall determine the amount of tax owed for the current year on the basis of a tax rate estimated by the chief fiscal officer. The estimated rate shall not be less than the previous year's rate for the property in question, or greater than the maximum rate permitted by statute. The estimated tax amount shall be treated as a liquidated debt arising out of the operation of the licensed premises which is due and payable ten days following the date of notice to the transferor. On the

1 normal tax due date, the chief fiscal officer shall deduct from each  
2 payment the actual amount of tax owed and refund any surplus to the  
3 payor.  
4

- 5 C. *Filing of involuntary return by assessor.* If the voluntary business  
6 personal property tax return has not been filed with the assessor at  
7 the time of application for transfer of the license arising in whole or in  
8 part from the conduct of the business licensed, the assessor shall  
9 make an involuntary filing and estimate the assessed value for the  
10 purpose of estimating the current year taxes due. An involuntary return  
11 shall be charged a penalty as provided in section 12.10.080.  
12

13 (AO No. 93-117, § 2, 8-10-93)  
14

15 \*\*\*                    \*\*\*                    \*\*\*  
16

17 **12.05.075 – Tax payment certificate required for sale of mobile homes.**  
18 **(Repealed)**  
19

- 20 [A. NO PERSON SHALL SELL, DISPOSE OF OR OTHERWISE DIVEST  
21 HIMSELF OF LEGAL TITLE TO ANY MOBILE HOME UNLESS,  
22 PRIOR TO THE SALE, DISPOSITION OR TRANSFER OF SUCH  
23 TITLE, HE FURNISHES THE BUYER OR RECIPIENT WITH A TAX  
24 PAYMENT CERTIFICATE OBTAINED FROM THE CHIEF FISCAL  
25 OFFICER PURSUANT TO SUBSECTION C, D OR F OF THIS  
26 SECTION.  
27
- 28 B. NO PERSON, BANK, CREDIT UNION, SAVINGS AND LOAN, OR  
29 OTHER LENDING INSTITUTION SHALL LOAN FUNDS OR  
30 OTHERWISE MAKE FUNDS AVAILABLE TO ANY PERSON FOR  
31 THE PURCHASE OF A MOBILE HOME UNLESS THE SELLER OF  
32 THE MOBILE HOME FIRST PROVIDES THE LENDER WITH A TAX  
33 PAYMENT CERTIFICATE OBTAINED FROM THE CHIEF FISCAL  
34 OFFICER PURSUANT TO SUBSECTION C OF THIS SECTION.  
35
- 36 C. ON REQUEST BY THE LEGAL OR REGISTERED OWNER OR  
37 AGENT THEREOF REGARDING ANY REAL OR PERSONAL  
38 PROPERTY, THE CHIEF FISCAL OFFICER SHALL DETERMINE  
39 WHETHER OUTSTANDING TAXES, PENALTY AND INTEREST  
40 FOR WHICH THE REQUESTING PERSON WOULD BE LIABLE BY  
41 VIRTUE OF HIS OWNERSHIP OF THAT PROPERTY HAVE BEEN  
42 FULLY PAID AND SATISFIED. IF THE CHIEF FISCAL OFFICER  
43 DETERMINES THAT NO SUCH TAXES, PENALTY AND INTEREST  
44 ARE OWED BY THE REQUESTING PERSON, HE SHALL  
45 PROMPTLY ISSUE A TAX PAYMENT CERTIFICATE. THE  
46 CERTIFICATE SHALL BE CONCLUSIVE EVIDENCE OF  
47 DISCHARGE OF THOSE TAX OBLIGATIONS BY THE PERSON TO  
48 WHOM THE CERTIFICATE IS ISSUED.  
49
- 50 D. IN THE CASE OF A JUNK MOBILE HOME AS DEFINED IN  
51 SUBSECTION E OF THIS SECTION, A TAX PAYMENT

1 CERTIFICATE MAY BE ISSUED REGARDLESS OF WHETHER  
2 TAXES, PENALTY, INTEREST AND COSTS ARE OWING  
3 PROVIDED THAT THE PERSON REQUESTING THE TAX  
4 PAYMENT CERTIFICATE FURNISHES AN AFFIDAVIT OR OTHER  
5 DOCUMENTATION SATISFACTORY TO THE CHIEF FISCAL  
6 OFFICER THAT THE MOBILE HOME IS A JUNK MOBILE HOME.  
7 THE CERTIFICATE SHALL BE CONCLUSIVE EVIDENCE OF  
8 DISCHARGE OF THOSE TAX OBLIGATIONS BY THE PERSON TO  
9 WHOM THE CERTIFICATE IS ISSUED.

10  
11 E. FOR PURPOSES OF THIS SECTION, A JUNK MOBILE HOME IS A  
12 MOBILE HOME WHICH IS STRIPPED, WRECKED, DECAYED, AND  
13 UNUSABLE AND WHICH HAS BEEN ABANDONED.

14  
15 F. IN THE CASE OF A MOBILE HOME WHICH HAS BEEN  
16 ABANDONED, A TAX PAYMENT CERTIFICATE MAY BE ISSUED IF  
17 THE CURRENT YEAR AND PRECEDING YEARS OUTSTANDING  
18 TAXES ARE FULLY PAID AND SATISFIED, PROVIDED THAT THE  
19 PERSON REQUESTING THE TAX PAYMENT CERTIFICATE  
20 FURNISHES AN AFFIDAVIT OR OTHER DOCUMENTATION  
21 SATISFACTORY TO THE CHIEF FISCAL OFFICER THAT THE  
22 MOBILE HOME HAS BEEN ABANDONED. PENALTY AND  
23 INTEREST ON OUTSTANDING TAXES FOR THE YEAR OF  
24 ABANDONMENT AND YEARS PRIOR TO ABANDONMENT SHALL  
25 NOT BE COLLECTED FROM THE PERSON REQUESTING THE  
26 TAX PAYMENT CERTIFICATE. THE CERTIFICATE SHALL BE  
27 CONCLUSIVE EVIDENCE OF DISCHARGE OF THOSE TAX  
28 OBLIGATIONS BY THE PERSON TO WHOM THE CERTIFICATE IS  
29 ISSUED.

30  
31 G. IF THE MUNICIPALITY HAS NOT LEVIED TAXES FOR THE  
32 CURRENT YEAR, FOR THE PURPOSES OF SUBSECTIONS C  
33 AND F OF THIS SECTION THE MUNICIPALITY SHALL DETERMINE  
34 THE AMOUNT OF TAX OWED FOR THE CURRENT YEAR ON THE  
35 BASIS OF A TAX RATE ESTIMATED BY THE CHIEF FISCAL  
36 OFFICER. THE ESTIMATED RATE SHALL NOT BE LESS THAN  
37 THE PREVIOUS YEAR'S RATE FOR THE PROPERTY IN  
38 QUESTION, OR GREATER THAN THE MAXIMUM RATE  
39 PERMITTED BY STATUTE. THE CHIEF FISCAL OFFICER SHALL  
40 MAINTAIN ALL PAYMENTS BASED ON A TAX RATE ESTIMATED  
41 UNDER THIS SUBSECTION IN A SEPARATE INTEREST-BEARING  
42 ACCOUNT. ON THE TAX DUE DATE, THE CHIEF FISCAL OFFICER  
43 SHALL DEDUCT FROM EACH PAYMENT IN THE ACCOUNT THE  
44 ACTUAL AMOUNT OF TAX OWED AND REFUND ANY SURPLUS  
45 TO THE PAYOR.]

46  
47 (AO No. 78-57; AO No. 90-25(S))

48 \*\*\* \*\*

49  
50  
51 **12.05.100 – Payment of estimated taxes in case of cessation or**

**business or distraint.**

- 1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30
- A. In addition to estimation of taxes for purposes of alcoholic beverage or marijuana license transfers under section 12.05.065, the municipality may estimate taxes in conjunction with a cessation of a business or as part of distraint procedures for collection of current year business personal property taxes.
- B. If the municipality has not levied taxes for the current year, for the purposes of subsection A of this section, the municipality shall determine the amount of tax owed for the current year on the basis of a tax rate estimated by the chief fiscal officer. The estimated rate shall not be less than the previous year's rate for the property in question, or greater than the maximum rate permitted by statute. The estimated tax amount shall be treated as a liquidated debt due and payable as of the date designated in the notice to the business. In no case shall the due date be prior to January 1 of the assessment year. No delinquency penalties on an estimated tax shall accrue until after the normal tax due date. On the normal tax due date, the chief fiscal officer shall deduct from each payment the actual amount of tax owed and refund any surplus to the payor.
- C. If the voluntary business personal property tax return has not been filed with the assessor at the time of cessation of business or distraint, the assessor shall make an involuntary filing and estimate the assessed value for the purpose of estimating the current year taxes due. An involuntary return shall be charged a penalty as provided in section 12.10.080 only if the due date for a voluntary return has passed.

31 (AO No. 93-117, § 3, 8-10-93)

32  
33 **Section 3.** Anchorage Municipal Code chapter 12.10, Personal Property  
34 Taxation, is hereby amended to read as follows (*the remainder of the chapter is not*  
35 *affected and therefore not set out*):

**12.10.010 – Property subject to taxation.**

- 36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51
- A. Except as otherwise provided in this chapter, the following personal property which has a tax situs within the municipality is subject to taxation:
1. *Vehicles.* Except for vehicles subject to the tax levy on motor vehicle registration in chapter 12.07, all vehicles propelled by other than human muscular power shall be taxable as personal property, including but not limited to automobiles, motorcycles, aircraft, [EXCEPT AIRCRAFT SUBJECT TO CHAPTER 12.08,] boats and snowmobiles.
  2. *Mobile homes.* Mobile homes located within the municipality that are permanently affixed to the ground, or are [LICENSED

MOBILE HOME COURTS OR MOBILE HOMES NO] wider than 14 feet and are located outside of a mobile home court shall be classified as real property. [WHICH ARE SITUATED ON TEMPORARY FOOTINGS OR TEMPORARY FOUNDATIONS AND LOCATED ON PRIVATE PROPERTY] All other mobile homes shall be classified as personal property.

3. *Taxable business personal property.*

a. Business personal property is taxable to the extent that a taxpayer's total assessed value for all business personal property within the Municipality of Anchorage exceeds \$50,000.00 [\$20,000.00].

\*\*\*                    \*\*\*                    \*\*\*

(AO 220-76, § 1, 11-16-06; AO No. 81-218(S); AO No. 94-74(S-1), § 1, 1-1-95; AO No. 94-211, § 2, 1-1-95; AO No. 2004-140, § 1, 10-26-04; AO No. 2010-81(S-1), § 15, 12-7-10, eff. 1-1-11; AO No. 2011-30, § 2, 3-8-11, eff. 1-1-12)

**12.10.020 – Exemptions.**

A. Individual personal property utilized solely and exclusively for personal, non-business uses or purposes[, NOT INCLUDING MOBILE HOMES,] is exempt from taxation under this chapter.

B. The first \$50,000.00 [\$20,000.00] of assessed valuation of taxable [BUSINESS] personal property owned by each taxpayer shall be exempt from municipal property taxation.

1. For a taxpayer with more than one [BUSINESS] personal property tax account, the \$50,000.00 [\$20,000.00] exemption shall be distributed pro rata among all of the taxpayer's accounts, based on the proportion of the assessed value in each account to the total assessed value of that taxpayer's [BUSINESS] personal property.

(GAAB 10.05.030; AO No. 81-218(S); AO No. 85-182, 1-1-86; AO No. 86-211(S-1); AO No. 94-74(S-1), § 2, 1-1-95; AO No. 94-97(S), § 2, 1-1-95; AO No. 94-211, § 3, 1-1-95; AO No. 94-219, § 1, 1-1-95; AO No. 97-128, § 1, 10-21-97; AO No. 2004-140, § 2, 10-26-04)

\*\*\*                    \*\*\*                    \*\*\*

**12.10.040 – Filing of returns.**

A. Every person who owns or controls taxable personal property the tax situs of which is the municipality as of January 1 of each year, must file a personal property tax return indicating ownership or control of the personal property.

1  
2 [A. *TIME OF FILING PERSONAL PROPERTY TAX RETURNS.*  
3 INDIVIDUAL PERSONAL PROPERTY RETURNS, OTHER  
4 THAN THOSE INVOLVING BUSINESS PROPERTY OR  
5 INVENTORY, SHALL BE FILED OR POSTMARKED ON OR  
6 BEFORE JANUARY 15 OF EACH YEAR BY EACH PERSON  
7 OWNING OR CONTROLLING PERSONAL PROPERTY  
8 SUBJECT TO TAXATION.]  
9

10 1[B]. *Personal property filing due date* [*TIME OF FILING BUSINESS*  
11 *PERSONAL PROPERTY TAX RETURNS*]. *Personal property*  
12 [*BUSINESS PERSONAL PROPERTY AND INVENTORY TAX*]  
13 returns shall be filed or postmarked on or before April 30 [20]  
14 of each year by each person owning or controlling [*BUSINESS*]  
15 personal property [*OR INVENTORY*] subject to taxation.  
16

17 2[C]. *Responsibility of corporate officers and directors.* It shall be the  
18 responsibility of every director and principal officer of a  
19 corporation owning or controlling business personal property or  
20 inventory to ensure that timely and proper filings are made on  
21 behalf of corporations for each tax year. Failure on the part of  
22 any director or officer of a corporation to file a timely and proper  
23 tax return is punishable under section [SECTION] 12.05.080.  
24

25 [D. *FILING AMENDED RETURNS.* AT ANY TIME SUBSEQUENT  
26 TO FILING A PERSONAL PROPERTY TAX RETURN,  
27 INCLUDING LATE OR INVOLUNTARY FILINGS, ANY  
28 PERSON MAY FILE WITH THE ASSESSOR AN AMENDED  
29 PERSONAL PROPERTY TAX RETURN. THIS RETURN MAY  
30 BE FILED FOR THE PURPOSE OF CHANGING ANY  
31 INFORMATION ON A PERSONAL PROPERTY TAX  
32 RETURN. AN AMENDED RETURN MAY BE FILED FOR THE  
33 CURRENT TAX YEAR OR FOR ANY PERSONAL  
34 PROPERTY TAX RETURN WHICH WAS DUE IN ANY  
35 PRECEDING TWO YEARS.]  
36

37 3[E]. *Independent investigation by assessor.* The assessor is not  
38 bound to accept a return as correct. The assessor [HE] may  
39 make an independent investigation of property returned or of  
40 taxable property upon which no return has been filed. In either  
41 case, the assessor may make their [HIS] own valuation of the  
42 taxable property.  
43

44 \*\*\*                      \*\*\*                      \*\*\*

45  
46 4[F]. *Inspection of returns; confidentiality.* Personal property tax  
47 returns shall be confidential and shall be inspected only by  
48 officers authorized to administer the tax laws and law  
49 enforcement officers of the United States, the state and  
50 municipalities, or in response to a valid subpoena. Any  
51 employee violating this restriction by communicating

1 information obtained from property returns not required to be  
2 shown on the assessment roll, or by allowing any person not  
3 legally entitled to access to such returns to have access to  
4 them, may immediately be discharged from municipal  
5 employment, and shall be subject to a penalty under this title.  
6

7 5[G]. *Late filing.* A grace period of seven calendar days shall elapse  
8 following the filing due date set forth in subsection 1 of this  
9 section before a personal property tax return is considered late.  
10 A late-filed tax return is subject to penalties and applicable  
11 interest under [IF THE PROPERTY TAX WHICH IS LEVIED  
12 RESULTS FROM A DELINQUENT FILING OF THE  
13 PERSONAL PROPERTY TAX RETURN A PENALTY AND  
14 INTEREST SHALL BE APPLIED PURSUANT TO] section  
15 12.10.080. If a return is received less than thirty (30) days prior  
16 to the tax billing date, it shall not be accepted as a late-filed  
17 return, but instead shall be considered an amended return,  
18 pursuant to subsection 7 of this section.  
19

20 6[H]. *Involuntary filing.* Where the assessor has reasonable grounds  
21 to believe that a person owned taxable personal property on  
22 the date the tax liability attached to such property, and such  
23 person has failed to file a timely or late return as required by  
24 this section, the assessor may prepare and file an involuntary  
25 tax return on the owner's behalf. In addition to [PAYMENT OF]  
26 the tax due under an involuntary filing, penalties and applicable  
27 interest shall also be due [INCLUDE PENALTY AND  
28 INTEREST], which shall be calculated under section  
29 12.10.080. A taxpayer shall be liable for the taxes stated on an  
30 involuntary tax return, together with penalties and applicable  
31 interest provided in this chapter.  
32

33 [I. *FAILURE TO FILE.* FAILURE TO FILE A TIMELY RETURN AS  
34 REQUIRED BY THIS CHAPTER ADDS A TEN PERCENT  
35 LATE FILING PENALTY TO THE TAX PRINCIPAL. FOR THE  
36 PURPOSES OF THIS SECTION, A RETURN IS  
37 CONSIDERED TIMELY SO LONG AS IT IS RECEIVED  
38 PRIOR TO THE EXPIRATION OF THE SEVEN-CALENDAR-  
39 DAY GRACE PERIOD UNDER SECTION 12.10.080.  
40 FAILURE TO FILE A TIMELY RETURN IS ALSO  
41 PUNISHABLE UNDER SECTION 12.05.080.]  
42

43 7. *Filing amended returns.* A taxpayer may file an amended return  
44 of any timely, late, or involuntary return within one year of the  
45 filing due date set forth in subsection 1 of this section. The  
46 amended return is subject to approval by the assessor, or  
47 designee. If the taxpayer files an amended return on an  
48 involuntary filing, the assessor may reduce the involuntary filing  
49 penalty pursuant to 12.10.080A.2.  
50

51 8[J]. *Short form business personal property return.* The assessor



1 shall provide a simplified, short form tax return for reporting  
 2 business personal property with an assessed valuation of less  
 3 than \$50,000.00. Filing such short form return shall be  
 4 permitted only for the three consecutive years subsequent to  
 5 the latest standard, long form business personal property tax  
 6 return filed by the taxpayer on which the assessed value of the  
 7 personal property is less than \$50,000.00. The form will  
 8 include, among other things, a requirement that the taxpayer  
 9 attest to owning taxable personal property with an overall  
 10 assessed valuation of less than \$50,000.00.

11  
 12 (GAAB 10.05.050, 10.05.070.C; AO No. 85-182, 1-1-86; AO No. 86-211(S-  
 13 1); AO No. 88-158, 5-1-89; AO No. 92-36; AO No. 97-128, § 2, 10-21-97; AO  
 14 No. 2014-42, § 41, 6-21-14)

15  
 16  
 17 **12.10.045 – Disclosure of ownership data from [OWNERSHIP OF]**  
 18 **mobile home[S] courts; monthly space rent increase limitation.**

19  
 20 A. On request by the assessor, or designee [HIS AUTHORIZED  
 21 REPRESENTATIVE], any mobile home court subject to AMC title 21  
 22 [PERSONS LEASING, RENTING OR OTHERWISE MAKING  
 23 PRIVATE PROPERTY AVAILABLE TO ANOTHER PERSON FOR  
 24 LOCATION OF A MOBILE HOME] shall disclose the vacancy rate;  
 25 mobile home owner’s name and contact address (if applicable); and  
 26 monthly rent. [NAME AND MAILING ADDRESS OF THE OWNERS  
 27 OF THAT MOBILE HOME TO THE ASSESSOR.]

28  
 29 B. Mobile home courts subject to AMC title 21 are prohibited from raising  
 30 their monthly space rent by more than the average increase in the  
 31 Consumer Price Index (CPI) for Urban Alaska over the trailing five (5)  
 32 calendar years.

33  
 34 \*\*\*                      \*\*\*                      \*\*\*

35  
 36 **12.10.060 – Methods of assessment.**

37  
 38 A. The assessor shall assess personal property at its full and true value  
 39 as of January 1 of the assessment year, except as provided by state  
 40 law.

41  
 42 B. Personal property which has a tax situs within the municipality on  
 43 January 1 of the tax year is subject to taxation at the rates applicable  
 44 to real property in the location within the municipality where the  
 45 personal property is most often to be found.

46  
 47 C. Private leaseholds, contracts or other interests in land or property  
 48 owned or held by the United States, a state or other political  
 49 subdivision shall be taxable to the extent of the full and true value of  
 50 that private interest.  
 51

1 D. Non-scheduled commercial aircraft that have been issued an N-  
2 number by the Federal Aviation Administration (FAA) are subject to a  
3 flat tax based on weight, regardless of value or condition. Aircraft  
4 weight is determined using the Manufacturer's Gross Weight with an  
5 Internal Load (MGWIL). The assessment formula shall be approved  
6 by the assembly.

7  
8 1. There shall be a rebuttable presumption that all non-scheduled  
9 commercial aircraft located or operated within the municipality  
10 are subject to the flat tax provided in subsection D of this  
11 section.

12  
13 2. Any owner of a non-scheduled commercial aircraft may rebut  
14 the presumption in subsection D.1 of this section by filing with  
15 the department a specific, detailed and sworn statement on a  
16 form provided by the department demonstrating that, in fact, the  
17 presumption does not apply and the aircraft is not subject to the  
18 flat tax under this chapter.

19  
20 E[D]. Methods to be used to assess business inventories are as follows:

21  
22 1. Inventory, in the hands of a retail merchant who holds for sale,  
23 lease or rental, shall be valued at the inventory's cost to the  
24 merchant, including all costs attributed to placing inventories  
25 for sale and with a reasonable allowance, based on property  
26 substitution, for damaged, shop-worn or out-of-date goods.

27  
28 2. A wholesale merchant's inventory shall be valued the same as  
29 for retail merchants as provided in subsection 1 of this  
30 subsection.

31  
32 3. Inventory held by a manufacturer or processor in the form of  
33 raw materials shall be valued based on cost, including all costs  
34 attributed to placing inventories for sale.

35  
36 4. Business inventories held by manufacturers, wholesalers or  
37 retailers, or by businessmen engaging in any combination of  
38 manufacture, wholesale or retail trade, shall be valued by  
39 examining the form, location, quantity, acquisition source and  
40 probable purchaser.

41  
42 5. Reserved.

43  
44 E[E]. Personal property shall be assessed once a year as of January 1 of  
45 the assessment year. Assessments on personal property shall not be  
46 prorated for the assessment year except as follows: Aircraft or vessels  
47 operated by United States scheduled carriers and operated in  
48 intrastate, interstate or foreign commerce shall be assessed on an  
49 apportionment basis. The assessment formula shall be approved by  
50 the assembly.  
51

(AO No. 87-102(S); AO No. 2010-81(S-1), § 46, 12-7-10, eff. 1-1-11)

\*\*\*                      \*\*\*                      \*\*\*

**12.10.080 – Payment of tax; penalties and interest.**

A. Payment of personal property [AND BUSINESS PERSONAL PROPERTY AND INVENTORY] tax shall be made and penalty and interest on delinquent account balances shall be calculated and applied as provided in section 12.15.060.[,] Additional penalties and applicable interest on [EXCEPT WHERE] personal property tax [IS] owing on property listed in a late-filed or an involuntary return [OR A RETURN FILED LATE. IN EITHER CASE, RETURN PAYMENT] shall be calculated and applied [MADE] as follows:

1. Filing penalties. [LATE FILING.]

a. Late-filed return. [INITIAL PENALTY.] A late-filed return is subject to a [A] penalty of ten percent (10%) on the tax amount which was due, and the penalty shall be added to [PAID IF] the personal property tax bill [RETURN] after the expiration of the seven-calendar-day grace period set forth in subsection 12.10.040A.5. [WAS FILED LATE AND IF THE BILL WHICH IS SENT ON THAT RETURN IS PAID WITHIN 30 DAYS OF THE DATE OF BILLING. A RETURN FOR THE PURPOSES OF THIS CHAPTER SHALL BE CONSIDERED LATE IF NO RETURN HAS BEEN RECEIVED BEFORE SEVEN CALENDAR DAYS HAVE ELAPSED FROM THE DATE UPON WHICH THE RETURN IS DUE. AT THE EXPIRATION OF THE SEVEN-CALENDAR-DAY GRACE PERIOD THE RETURN WILL BE CONSIDERED UNTIMELY AND THE PENALTY WILL BE ADDED.]

b. Involuntary return. A penalty of twenty percent (20%) on the tax amount which was due on an involuntary return shall be added to the personal property tax billing associated with the involuntary return. The assessor may reduce this penalty to ten percent (10%) upon the receipt and approval of a taxpayer's amendment of an involuntary filing within the time allowed under subsection 12.10.040A.7.

2[B]. Payment [ADDITIONAL] penalty. If the tax bill which is sent on a late-filed or involuntary return [THAT WAS FILED LATE] is not paid within 30 days from the date of billing, then an additional [TEN PERCENT] penalty shall be applied as provided in section 12.15.060. [THIS SHALL MEAN THAT A TOTAL PENALTY OF 20 PERCENT ON THE ORIGINAL TAX AMOUNT SHALL BE APPLIED.]

1  
2 3[C]. *Interest.* In addition to the penalties[Y] provided in this section,  
3 interest calculated in accordance with section 12.15.060 shall  
4 be applied only after [THE] thirty (30) days from the billing date  
5 of [THE BILLING ON] a late or involuntary filing have elapsed.  
6 Interest [WHEN INTEREST IS TO BE APPLIED IT] shall be  
7 computed on a monthly basis for the period beginning with the  
8 [FROM THE] original due date of the return. [TAX WAS DUE  
9 ON THE ORIGINAL ASSESSMENT ROLL TO THE DATE OF  
10 PAYMENT AND SHALL ALSO INCLUDE INTEREST ON THE  
11 PORTION OF THE MONTH IN WHICH THE TAX PAYMENT  
12 WAS DUE ON THE ORIGINAL ASSESSMENT ROLL.]

13  
14 [2. *INVOLUNTARY FILING.* PAYMENT OF TAXES ON AN  
15 INVOLUNTARY FILING SHALL BE MADE IN THE SAME  
16 MANNER AND WITH THE SAME PENALTIES AND  
17 INTEREST AS PROVIDED FOR LATE FILING IN  
18 SUBSECTION 1 OF THIS SECTION.]

19  
20 (AO No. 85-182, 1-1-86; AO No. 88-158, 5-1-89; AO No. 92-36)

21  
22 **12.10.090 – Decals for personal property. (Repealed)**

23  
24 [A. ISSUANCE. EVERY PERSON OR BUSINESS WHICH HAS FILED A  
25 PERSONAL PROPERTY TAX RETURN INDICATING SUCH  
26 OWNERSHIP MAY BE ISSUED BY THE ASSESSOR OF THE  
27 MUNICIPALITY A DECAL FOR EACH OF THE INDIVIDUAL  
28 OBJECTS INDICATED.

29  
30 B. EXCEPTIONS. REQUIREMENTS FOR DECALS SHALL NOT  
31 APPLY TO PROPERTY OWNED BY THE STATE OR ANY  
32 POLITICAL SUBDIVISION THEREOF OR BY THE UNITED STATES  
33 GOVERNMENT.

34  
35 C. FORM AND DISPLAY. THE DECALS' DESIGN AND MATERIAL MAY  
36 BE CHOSEN BY THE ASSESSOR. SUCH DECALS WHEN ISSUED  
37 SHALL BE PLACED IN A PROMINENT AND VISIBLE PLACE ON  
38 THE VEHICLE. IN THE CASE OF A MOBILE HOME, THE DECAL  
39 MUST BE DISPLAYED ON THE RIGHT SIDE OF THE FRONT  
40 WINDOW, OR, IF NO WINDOW IS AVAILABLE, ON A PROMINENT  
41 PLACE ON THE RIGHTHAND SIDE OF THE MOBILE HOME. IN THE  
42 CASE OF AN AIRCRAFT, THE DECAL MUST BE DISPLAYED ON  
43 THE RIGHT SIDE OF THE VERTICAL STABILIZER AS  
44 DETERMINED FROM LOOKING FROM THE FRONT OF THE  
45 AIRCRAFT TO THE TAIL.

46  
47 D. TRANSFER. THE DECALS ISSUED UNDER THE PROVISIONS OF  
48 THIS SECTION SHALL NOT BE TRANSFERABLE FROM ONE  
49 VEHICLE TO ANOTHER. HOWEVER, ANY PERSON OR BUSINESS  
50 WHICH SELLS OR OTHERWISE DISPOSES OF A VEHICLE WITH  
51 A DECAL ON IT MAY LEAVE THE DECAL ON SUCH VEHICLE.

E. TIME OF AFFIXATION. SUCH DECALS MUST BE AFFIXED TO THE SUBJECT PROPERTY NO LATER THAN JUNE 15 OF EACH YEAR.

F. PENALTY. FAILURE ON THE PART OF A PERSON OR BUSINESS TO AFFIX THE DECALS TO REQUIRED PROPERTY WILL SUBJECT THE PERSON OR BUSINESS TO A FINE OF NOT MORE THAN \$200.00 FOR EACH VEHICLE ON WHICH THE DECAL HAS NOT BEEN AFFIXED.]

(GAAB 10.10.030—10.10.080)

\*\*\* \*\*

**Section 4.** Anchorage Municipal Code chapter 12.15, Real Property Taxation, is hereby amended to read as follows (*the remainder of the chapter is not affected and therefore not set out*):

**12.15.010 – Property subject to taxation.**

\*\*\* \*\*

B. Certain mobile homes, [EXCEPT] as provided by subsection 12.10.010A.2., [SECTION 12.10.010.A.2, ALL MOBILE HOMES HAVING A TAX SITUS WITHIN THE MUNICIPALITY] shall be classified as real property.

[C. MOBILE HOME PARK OWNERS OR MANAGERS SHALL MAKE AVAILABLE TO THE ASSESSOR OR HIS DESIGNEE THE NAMES AND ADDRESSES OF THE OWNERS OF ALL MOBILE HOMES LOCATED WITHIN THE MOBILE HOME PARK.]

(GAAB 10.05.020; AO 220-76, § 1, 11-16-76)

\*\*\* \*\*

**12.15.015 – Real property exemptions.**

\*\*\* \*\*

B. *Definitions.* For purposes of this section 12.15.015 only, the following words are defined as:

[*REAL PROPERTY* SHALL INCLUDE A MOBILE HOME, REGARDLESS OF THE CLASSIFICATION OF A MOBILE HOME AS PERSONAL OR REAL PROPERTY ELSEWHERE IN THIS CODE.]

\*\*\* \*\*

**12.15.025 – Disaster tax relief.**

1                   \*\*\*                   \*\*\*                   \*\*\*  
 2  
 3       A.       *Definitions.* The following words, when used in this section, shall have  
 4                   the meanings ascribed to them below:  
 5

6                   \*\*\*                   \*\*\*                   \*\*\*  
 7  
 8                   *Real property* shall mean improvements, impacted by the disaster,  
 9                   owned by the applicant.  
 10

11                   [1.       FOR PURPOSES OF THIS SECTION ON DISASTER TAX  
 12                   RELIEF ONLY, IMPROVEMENTS SHALL ALSO INCLUDE  
 13                   MOBILE HOMES OWNED BY THE APPLICANT, EVEN IF  
 14                   THE UNDERLYING LAND IS NOT OWNED BY THE  
 15                   APPLICANT.]  
 16

17                   \*\*\*                   \*\*\*                   \*\*\*  
 18  
 19       **12.15.060 – Payment.**  
 20

21       A.       *Installments.* Any taxpayer may pay the property tax for the year in two  
 22                   installments of equal amounts except if [WHEN] the property tax  
 23                   installment amounts for the year total \$20.00 [AMOUNTS TO \$10.00]  
 24                   or less.  
 25

26                   \*\*\*                   \*\*\*                   \*\*\*  
 27  
 28       C.       *Delinquency.*  
 29

30                   1.       If an installment is not paid in full before the due date, the  
 31                   unpaid balance of that installment becomes delinquent and  
 32                   penalty, interest and costs accrue as follows:  
 33

34                                   \*\*\*                   \*\*\*                   \*\*\*  
 35  
 36                   b.       *Accrual of interest.* In addition to the penalty set out in  
 37                   subsection C.1.a of this section, interest shall be  
 38                   charged on the unpaid balance of delinquent taxes. No  
 39                   interest shall be applied until the first day of the month  
 40                   following the due date of the original tax bill. When  
 41                   interest is to be applied, it shall be calculated on a  
 42                   monthly basis. [IN ADDITION, INTEREST SHALL BE  
 43                   COLLECTED FOR THE PERIOD OF TIME WHICH IS  
 44                   THE PORTION OF THE MONTH IN WHICH THE TAX  
 45                   BILL WAS DUE AND DELINQUENT.]  
 46

47                   \*\*\*                   \*\*\*                   \*\*\*  
 48  
 49       (GAAB 10.05.035, 10.05.070; AO No. 85-182, 1-1-86; AO No. 86-107(S), 1-  
 50       1-86; AO No. 88-158; AO No. 98-165(S), § 1, 5-1-99)  
 51

**12.15.065 – Tax penalty waiver.**

\*\*\*                      \*\*\*                      \*\*\*

B. *Definitions.* The following words, when used in this section, shall have the meanings ascribed to them below:

\*\*\*                      \*\*\*                      \*\*\*

*Property tax due date* shall mean the first or second real property tax installment payment due dates for the current tax year, whereby the first half due date shall, by default, occur on June 30 and the second half due date, by default, shall occur on August 31, unless otherwise modified [ESTABLISHED] by assembly resolution [FOR THE CURRENT TAX YEAR (GENERALLY JUNE 15 AND AUGUST 15)].

\*\*\*                      \*\*\*                      \*\*\*

(AO No. 2017-106, § 1, 6-15-17)

\*\*\*                      \*\*\*                      \*\*\*

**Section 5.** This ordinance shall be effective, after passage and approval by the Assembly, on September 1, 2021 and shall be applicable to assessment and billing functions associated with tax year 2022. Any property tax accounts billed for tax year 2021 mailed on or after September 1, 2021 shall follow the 2021 tax year requirements which precede the effective date of this ordinance.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

## **Exhibit A: Chapter 12.08, Registration and Taxation of Aircraft**

### **Code being repealed**

#### **TITLE 12 – TAXATION**

#### **Chapter 12.08 REGISTRATION AND TAXATION OF AIRCRAFT**

##### **12.08.005 - Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Aircraft* means gliders, hot air balloons and all motor powered aircraft capable of being manned.

*Department* means the Municipality of Anchorage finance department.

(AO No. 94-211, § 1, 1-1-95)

**Cross reference**— Definitions and rules of construction generally, § 1.05.020.

##### **12.08.010 - Aircraft registration.**

- A. Except as otherwise provided in this chapter, all persons owning any interest in an aircraft located or operated within the municipality shall register such aircraft in accordance with this chapter.
1. There shall be a rebuttable presumption that the following aircraft are located or operated within the municipality and subject to registration:
    - a. Aircraft whose Federal Aviation Administration registration shows a residence, business or mailing address of the owner located within the municipality;
    - b. Aircraft whose owner has a business, residence or mailing address within the municipality; or
    - c. Aircraft located at any site owned by the owner or operator of the aircraft or aircraft for which the owner or operator thereof parks or pays a fee for the privilege of locating such aircraft at a site within the municipality for 60 days or more during the registration year.
  2. Any owner of an aircraft may rebut the presumption in subsection A.1 of this section by filing with the department a specific, detailed and sworn statement on a form provided by the department demonstrating that in fact the presumption does not apply and the aircraft is not subject to registration under this chapter.



3. This chapter does not apply to aircraft subject to the provisions of section 12.10.060.E.
- B. The owner of an aircraft required to be registered under this chapter shall apply for registration and pay the registration tax no later than the last day of the second month after the month in which the aircraft becomes subject to registration.
- C. The registration requirements of this chapter are in addition to any other license, permit or registration required by law.

(AO No. 94-211, § 1, 1-1-95)

**12.08.020 - Application for registration certificate.**

- A. Every owner of an aircraft subject to registration shall apply to the department for a registration certificate upon a form furnished by the department. The application shall be signed by the owner and contain the following:
  1. The name and residence and business addresses and telephone numbers of the owner.
  2. A description of the aircraft, including the year, make and model, the number of engines, FAA registration number, and tiedown location.
  3. Such other information required by the department.

(AO No. 94-211, § 1, 1-1-95)

**12.08.030 - Denial and revocation of registration.**

- A. The department may deny an application for registration or renewal of registration and may revoke a certificate of registration, upon any of the following grounds:
  1. The application contains a false or fraudulent statement or the applicant has failed to furnish required information or reports required under this chapter.
  2. The applicant is not required or eligible to register the aircraft.
  3. The required tax, penalties or interest for the year of registration has not been paid as required under this chapter.

(AO No. 94-211, § 1, 1-1-95)

**12.08.040 - Registration year and expiration; renewal; notices.**

- A. The registration of an aircraft under this chapter shall be effective for one year from the first day of the month following the month in which the aircraft became subject to registration and expires on the last day of the 12th month following the date of issue. The registration expiration date of an aircraft registered under this chapter shall not be changed if the ownership of the aircraft is transferred.

- B. The owner of a registered aircraft may renew the registration for one year from the expiration date of the registration. The registration renewal period shall be one month following the expiration date of the registration. The department shall mail notice of registration expiration to the registered owner of record at the owner's mailing address as shown in the records of the department. An owner of an aircraft subject to registration who has received notice under this subsection may renew registration of the aircraft by returning the notice form, together with the tax, to the department, either in person, or by mail postmarked no later than the last day of the registration renewal period shown upon the aircraft's current registration certificate or notice form. Upon receipt of a timely registration renewal and payment of the tax, the department shall renew the registration and mail the current registration certificate to the owner at the owner's mailing address as shown in the department's records.
- C. The address of the registered owner shown on the application for registration shall be the address to which all notices and correspondence shall be sent.
1. Notices sent to the mailing address shown on the application for registration shall constitute notice to the owner of the registered aircraft.
  2. The owner of the registered aircraft may direct notices and correspondence from the department to an address different than the mailing address shown on the application by written notice to the department. Such notice shall continue in effect until changed or canceled by the owner.
  3. Failure to receive notices, bills, or other correspondence shall not excuse the liability for the payment of any registration tax, penalty or interest.

(AO No. 94-211, § 1, 1-1-95)

**12.08.050 - Registration certificate.**

- A. Upon receipt of the registration tax and a properly executed registration application, the department shall issue to the owner a registration certificate which contains the following information:
1. The name and address of the aircraft owner.
  2. A description of the aircraft, including the year, make, model, and Federal Aviation Administration registration number.
  3. The expiration date of the registration.
  4. Other information as determined by the department.
- B. Only one registration certificate shall be issued per aircraft. The current registration shall be kept in the aircraft until it expires or is renewed, canceled or surrendered pursuant to this chapter. Notwithstanding the provisions of this subsection, the department may, upon verified statement of an owner that the registration certificate issued for an owned aircraft has been lost, stolen, destroyed or mutilated, issue a replacement certificate for an administrative fee to be set by the department.

(AO No. 94-211, § 1, 1-1-95)

**12.08.060 - Registration tax and refunds.**

- A. The tax for registration of an aircraft under this chapter shall be \$75.00 per year for a single engine aircraft, hot air balloons and gliders, and \$125.00 per year for aircraft with two or more engines. For purposes of this section the tail rotor of a helicopter shall not be counted as an engine. The tax is due and payable and shall be submitted to the department with the application for registration or the renewal notice and shall not be prorated.
- B. The department shall refund taxes paid or collected in error. Refunds shall not be prorated and no refund shall be due or payable for any portion of a registration year.

(AO No. 94-211, § 1, 1-1-95; AO No. 2010-81(S-1), § 14, 12-7-10, eff. 1-1-11)

**12.08.070 - Reporting requirements for owners and aircraft facility operators.**

- A. Any person leasing, renting or otherwise making available to another any facility for landing, taking off, parking or storage, including tiedown and slip spaces, or any other facility utilized in the ownership or operation of any aircraft, regardless of whether or not such aircraft is subject to registration under this chapter, shall, upon the request of the department, disclose to the municipality the name, residence and mailing address and telephone numbers of the owner, lessor, renter or operator of the aircraft utilizing such facility, all information regarding such aircraft required by an application for registration and such other information as the department may reasonably require. Information submitted to the department under this subsection shall be verified by the person providing the information or with the custody and control of the records thereof.
- B. The owner of an aircraft registered or subject to registration under this chapter shall notify the department in writing of the name, telephone number and mailing address of any person to whom such aircraft has been sold or the ownership thereof has been transferred together with the effective date thereof. The notification required under this subsection shall be verified by the owner on a form prescribed by the department and shall be mailed to the department within 20 days of the effective date of the sale or transfer of ownership. Upon notification, the department shall transfer the registration on its records to the new owner.

(AO No. 94-211, § 1, 1-1-95)

**12.08.080 - Penalties and interest.**

- A. The following penalties shall be cumulative and shall be imposed, due and payable, as indicated:
  - 1. If the registration tax has not been paid in full when due, a penalty of \$25.00 shall be due and payable for each month following the due date until paid in full. The penalty shall not exceed \$300.00 for each registration year.

- a. Seven-day grace period. Following each due date of taxes, seven calendar days shall elapse before any penalty is added to the tax. At the expiration of the seven-calendar-day grace period, the penalty will be added.
  2. For failure or refusal to comply with the reporting or disclosure of information required by section 12.08.070, a penalty of \$300.00 may be assessed by the department.
- B. For failure to pay registration taxes as required under this chapter, interest at the rate of eight percent per annum shall accrue on all registration taxes due and payable. Interest shall be calculated and applied on a monthly basis.

(AO No. 94-211, § 1, 1-1-95)

**12.08.090 - Application of payments.**

Any payments received for a registration year shall be applied first to cost, penalties, interest and tax.

(AO No. 94-211, § 1, 1-1-95)

**12.08.100 - Collection of taxes, penalties and interest.**

- A. The department may collect all taxes, penalties and interest due and payable under this chapter by civil action and in the case of the owner against either or both the aircraft and/or its owner.
- B. The registration tax and all penalties and interest due and payable under this chapter shall be a lien upon the aircraft and the department may file a lien therefor with the Federal Aviation Administration and record such lien with the Recorder of the State of Alaska, Anchorage Recording District, Third Judicial District. Such lien may be foreclosed by the department as provided by law.

(AO No. 94-211, § 1, 1-1-95)

**12.08.110 - Regulations.**

The chief fiscal officer may promulgate regulations to implement and administer this chapter.

(AO No. 94-211, § 1, 1-1-95)

**12.08.120 - Prohibition.**

No person shall operate or locate an aircraft within the municipality which is not registered as required by or in accordance with this chapter.

(AO No. 94-211, § 1, 1-1-95)



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 536-2020

Meeting Date: September 15, 2020

1 **From: MAYOR**

2  
3 **Subject: AN OMNIBUS ORDINANCE OF THE ANCHORAGE ASSEMBLY REVISING**  
4 **ANCHORAGE MUNICIPAL CODE TITLE 12, TAXATION, BY REPEALING**  
5 **CHAPTER 12.08, REGISTRATION AND TAXATION OF AIRCRAFT; AND**  
6 **BY AMENDING CHAPTERS 12.05, REAL AND PERSONAL PROPERTY**  
7 **ASSESSMENT AND TAXATION, GENERAL PROVISIONS; 12.10,**  
8 **PERSONAL PROPERTY TAXATION; AND 12.15, REAL PROPERTY**  
9 **TAXATION.**

10  
11 This ordinance revises Anchorage Municipal Code (AMC) Title 12 – Taxation by repealing  
12 AMC 12.08, Registration and Taxation of Aircraft, and by amending AMC 12.05, Real and  
13 Personal Property Assessment and Taxation, AMC 12.10, Personal Property Taxation,  
14 and 12.15, Real Property Taxation.

15  
16 Primary objectives associated with the proposed revisions to Municipal Code include:  
17 promoting greater taxpayer equity, improving business processes and increasing  
18 operational efficiency, matching prevailing property assessment and tax billing practices  
19 with other government jurisdictions and providing a best fit to the new Tyler Technologies  
20 property tax assessment and billing system.

21  
22 The ordinance proposes to eliminate personal property taxation on personal-use mobile  
23 homes and personal-use, non-scheduled aircraft. As a result, the focus of personal  
24 property assessment and billing going forward will be on commercial-use mobile homes  
25 and commercial-use, non-scheduled aircraft. In addition, the ordinance proposes to  
26 assess non-scheduled, commercial-use aircraft based on the weight of the aircraft, similar  
27 to the Kenai Peninsula Borough, and further proposes to increase the exemption on  
28 taxable business personal property from \$20,000 to \$50,000.

29  
30 Under AMC 12.10, all mobile homes are currently assessed at their full and true value.  
31 By exempting non-commercial-use mobile homes within mobile home courts from  
32 personal property taxation, as defined in the proposed ordinance, individuals residing in  
33 mobile homes will receive a tax savings more commensurate with single-family homes  
34 receiving residential exemption. Additionally, by establishing the mobile home exemption  
35 cited in the proposed ordinance, Property Appraisal and Treasury staff will no longer be  
36 tasked with administering the tax payment certificate program for the sale of mobile  
37 homes, and there will be no need to issue and monitor mobile home decals.

38  
39 Currently, all non-scheduled aircraft, both personal-use and commercial-use, are charged  
40 an annual registration fee of \$75 for single engines and \$125 for two or more engines.  
41 Under the ordinance, personal-use aircraft will no longer be taxed, and instead will be  
42 treated similar to other exempted personal property such as personal-use boats and snow  
43 machines. Adopting a non-scheduled commercial aircraft flat tax formula based on the

1 weight of the aircraft will bring businesses owning aircraft closer to equity with other  
2 businesses who own taxable personal property. Note: the proposed formula for  
3 assessing non-scheduled aircraft has been submitted as a separate Assembly  
4 Memorandum (AM) simultaneous with the proposed Assembly Ordinance (AO). The  
5 Administration recommends that both the AM for non-scheduled aircraft and the broad-  
6 based AO be scheduled for approval on the same night as the public hearing date for the  
7 AO.  
8

9 Since 2005, only the first \$20,000 of the assessed value of business personal property  
10 has been exempt; this coincides with the \$20,000 residential exemption that also began  
11 that same year. In 2018, the residential real property exemption was increased from 10%  
12 up to \$20,000 to 20% up to \$50,000. Under the proposed ordinance, the business  
13 personal property assessment exemption is proposed to increase from \$20,000 to  
14 \$50,000, which matches the maximum dollar amount of the business personal property  
15 exemption with the residential real property exemption, and further extends tax relief to  
16 all businesses operating within the municipality.  
17

18 Under AMC 12.10, there is currently a 10% penalty assessed on a personal property  
19 involuntary filing done by the Property Appraisal Division on behalf of a non-filing  
20 business. The ordinance proposes to increase the penalty from 10% to 20%. Estimating  
21 the assessed value of personal property on behalf of a non-filing business is a labor  
22 intensive process on the part of Property Appraisal staff. This additional penalty is  
23 intended to increase staff efficiency by encouraging non-filers to voluntarily comply with  
24 AMC 12.10, thereby eliminating the need for staff to create filings on behalf of non-filing  
25 businesses. If such a business files an amended return within one year of the original  
26 filing due date, their penalty may be reduced by Property Appraisal from 20% to 10%.  
27

28 Currently, real property taxes are due in two annual installments—June 15 and August  
29 15. These mid-month due dates require a different interest accrual process from all other  
30 months of the year, which can create confusion for taxpayers when reviewing their tax  
31 bills. The ordinance proposes to change the two annual installment due dates to June 30  
32 and August 31, which would eliminate mid-month interest accrual calculations. This will  
33 also provide two weeks of additional time for real property owners to pay their taxes.  
34 Personal property returns are currently due on April 20 of each year. The ordinance  
35 proposes changing the due date to April 30, to coincide with the end of the month and to  
36 simplify the process of determining when a filing is considered late and thus subject to a  
37 penalty.  
38

39 Under existing Municipal Code, the Treasury Division is currently limited in its ability to  
40 transfer excess funds from a property tax payment to another property tax account under  
41 the same taxpayer's name, even if the payment was made to the wrong account by  
42 mistake through an electronic payment process. This limitation in Municipal Code results  
43 in Treasury staff issuing a refund check to the taxpayer, even when the taxpayer would  
44 prefer to pay taxes on another account. Under the ordinance and with the taxpayer's  
45 authorization, Treasury will be able to transfer excess funds to pay the taxes due on  
46 another real or personal property account, or a DID account, that are in the taxpayer's  
47 name. This will increase staff efficiency by reducing the volume of refund processing,  
48 especially when the taxpayer would rather use the excess funds to pay on another  
49 account, and will improve the accuracy and timeliness of property tax billing account  
50 information.  
51

1 Other substantive revisions to Title 12 include: (1) adding the ability for the municipality  
2 to protest a marijuana license transfer for reasons of unpaid debts or taxes arising from  
3 the conduct of the licensed business; (2) adjusting the length of time a personal property  
4 taxpayer can amend a filing to match with the amount of time cited in Alaska State Statute  
5 during which a refund of overpaid taxes can be issued; and (3) capping the amount a  
6 mobile home court can increase space rent to prevent excessive price increases and to  
7 keep housing costs affordable for mobile home owners.

8  
9 Many of the proposed revisions under the ordinance are contingent upon implementation  
10 of the new Tyler Technologies property assessment and tax billing system. The estimated  
11 go-live date of the system is September 1, 2021, so it is the Administration's intention to  
12 implement the changes identified in the proposed ordinance on that date. The details of  
13 the ordinance's effective date are cited in section 5 of the proposed ordinance.

14  
15 A comprehensive SEE is attached.

16  
17 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

18  
19 Prepared by: Jack Gadamus, Municipal Assessor  
20 Daniel Moore, Municipal Treasurer  
21 Approved by: Alexander Slivka, CFO  
22 Concur: Lance Wilber, Director, Office of Management and Budget  
23 Concur: Kathryn R. Vogel, Municipal Attorney  
24 Concur: William D. Falsey, Municipal Manager  
25 Respectfully submitted: Ethan A. Berkowitz, Mayor



**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2020-96

Title: **AN OMNIBUS ORDINANCE OF THE ANCHORAGE ASSEMBLY REVISING ANCHORAGE MUNICIPAL CODE TITLE 12, TAXATION, BY REPEALING CHAPTER 12.08, REGISTRATION AND TAXATION OF AIRCRAFT; AND BY AMENDING CHAPTERS 12.05, REAL AND PERSONAL PROPERTY ASSESSMENT AND TAXATION, GENERAL PROVISIONS; 12.10, PERSONAL**

Sponsor: **MAYOR**  
 Preparing Agency: Finance Department  
 Others Impacted:

<b>CHANGES IN EXPENDITURES AND REVENUES:</b>					
(In Thousands of Dollars)					
	FY20	FY21	FY22	FY23	FY24
<b>Operating Expenditures</b>					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
<b>TOTAL DIRECT COSTS:</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
<b>FUNCTION COST:</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>REVENUES:</b>			\$ 15	\$ 75	\$ 65

**CAPITAL:**

**POSITIONS: FT/PT and Temp**

**PUBLIC SECTOR ECONOMIC EFFECTS:**

**50K Exemption:** The net effect of increasing the personal property exemption from \$20,000 to \$50,000 would reduce the total taxable value by approximately \$82.2 million, which is about 0.2% of the total tax base (\$34.7 billion) in 2020. Exemptions generally shift the cost of government to the existing tax base, so this would ultimately push mill rates up slightly for the tax year 2023. The total revenue generated would be net neutral.

**Aircraft:** The ordinance is proposing to change the structure on the taxation of non-scheduled aircraft. The net effect from a city-wide perspective will be negligible as most businesses and residents do not own an airplane and the total revenue generated will be about the same. However, there will be noticeable changes within the aircraft community. Currently, approximately 2,500 non-scheduled aircraft generate nearly \$200,000 in tax revenue. Under this proposed ordinance, privately owned aircraft will be exempt commensurate with other personal property such as boats or snowmachines, which is about 2,050 aircraft. The remaining 450 planes are owned by businesses that will pay tax based on the weight of the plane. Revenue cannot be estimated without knowing the weight class information; however, this proposed change in taxing aircraft is assumed to be relatively revenue neutral.

**Mobile Homes:** Exempting all personal use mobile homes that are classified as personal property would reduce the total taxable value by approximately \$78.0 million, which is about 0.2% of the total tax base (\$34.7 billion). Exemptions generally shift the cost of government to the existing taxable value, so this would ultimately push mill rates up slightly for the tax year 2023. The revenue generated would be net neutral.

**Involuntary Filing:** The proposed ordinance will increase the penalty on an involuntary Personal Property filing from 10% to 20%, which will result in a small increase in revenue. Using 2019 assessment data and holding everything else constant, the increase in penalty would generate up to \$125,000 in additional revenue. However, this administration believes that the actual revenue from additional fees will be significantly less for two reasons: we are also proposing to increase the personal property exemption from \$20K to \$50K, and we are creating an incentive for nonfilers to amend their involuntary filing. The net revenue is expected to be roughly \$85,000 in FY22, but then reducing to \$75,000 in FY23, and \$65,000 in FY24 under the assumption that compliance will increase.

**Tax due date:** Currently, real property 1<sup>st</sup> and 2<sup>nd</sup> half tax due dates are June 15<sup>th</sup> and August 15<sup>th</sup>, respectively. The proposed ordinance will effectively change the real property tax due dates from the middle of the month to the end of the month, June 30<sup>th</sup> and August 30<sup>th</sup>. The proposed due dates would be commensurate with personal property tax due dates, which are currently due at month-end. From a revenue perspective, there is a one time opportunity cost estimated at \$70,000 from losing two weeks of earned interest on both the 1<sup>st</sup> and 2<sup>nd</sup> half due dates. Further, when payments become late, the accrual of interest would be charged on the first day of the month following the due date. Due to the inability to project the impact of future investment market volatility and due to the current near zero 10-year Treasury yield environment caused by COVID-19, there is no proposed incremental budget change in FY 2022.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

**50K Exemption:** Each business controlling personal property subject to *ad valorem* tax will see a net reduction in their total taxable value by \$30,000, assuming other conditions remain the same. Further, approximately 700 business accounts will not be required to file an annual personal property return as they would fall under the \$50,000 filing threshold, which would save time and money for smaller businesses.

**Aircraft:** The proposed ordinance will impact businesses owning non-scheduled aircraft. Currently, businesses pay \$75.00 for a single-engine and \$125.00 for two or more engines. The proposed flat tax schedule will be based on the weight of the plane with a tax ranging from \$100.00 to \$1,000.00. This schedule closely models the approach currently in use by Kenai Peninsula Borough.

**Mobile Homes:** Mobile homes for personal use residing in mobile home parks will be exempt under this ordinance. There is a provision added that restricts the monthly space rent from increasing more than the average increase in the Consumer Price Index in Urban Alaska over the trailing five calendar years. There will be no other private sector effect aside from having a slightly higher mill rate. Businesses that own mobile homes will not be exempt and will still have to file an annual personal property return and pay *ad valorem* tax.

**Involuntary Filing:** The increase in penalty will impact approximately 570 personal property accounts or about 13% of businesses that are subject to personal property tax. The average penalty would be about \$220.00. However, the actual number of companies incurring the involuntary filing penalty is expected to be less for two reasons. First, the proposed ordinance will increase the exemption on the first \$20,000 of taxable personal property to \$50,000, which would reduce the number of nonfilers from 570 to approximately 400. Second, the administration wants to encourage businesses to file. If a business submits an amended filing within one year, the 20% non-filing penalty will be reduced to 10%; thus, reducing their penalty and ensuring fair and equitable assessments. As stated in the public sector effects, we expect that compliance will increase over several years as businesses see the benefit in filing, even if it's late. An increase in compliance would reduce the total penalties paid.

**Tax Due Date:** This proposal would give all real property owners an additional two weeks to pay their property tax bills. The bill due at the end of the month would also be more in-line with typical billing cycles making it more intuitive for commercial and residential property owners.



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 537-2020

Meeting Date: September 15, 2020

1 **From: MAYOR**

2  
3 **Subject: NON-SCHEDULED COMMERCIAL AIRCRAFT ASSESSMENT FORMULA.**

4  
5 The Property Appraisal Division has determined that the following assessment formula is  
6 to be used for assessing non-scheduled commercial aircraft that have been issued an N  
7 number by the Federal Aviation Administration.

8  
9 As cited in AO 2020-96, Anchorage Municipal Code subsection 12.10.060D., aircraft are  
10 subject to a flat tax based on weight, regardless of value or condition, as shown in the  
11 schedule below. The weight is determined using the Manufacturer's Gross Weight with  
12 an Internal Load (MGWIL).  
13

AIRCRAFT FLAT TAX SCHEDULE BASED ON MGWIL (Manufacturer's Gross Weight with an Internal Load)					
Fixed Wing			Rotocraft / Rotary Wing		
Class	Weight	Annual Tax	Class	Weight	Annual Tax
1	Less than 4,000 lbs	\$100.00	5	Less than 1,500 lbs	\$100.00
2	4,000 to less than 6,000 lbs	\$300.00	6	1,500 to less than 3,500 lbs	\$600.00
3	6,000 to less than 12,500 lbs	\$600.00	7	3,500 or more lbs	\$1,000.00
4	12,500 or more lbs	\$1,000.00			

14  
15 The above table was modeled closely after the existing assessment approach in place  
16 with the Kenai Peninsula Borough. Adopting this formula will bring businesses owning  
17 aircraft closer to equity with other businesses who own taxable personal property, and it  
18 will provide for the equitable treatment of all non-scheduled commercial aircraft. This  
19 assessment formula is to be used for non-scheduled commercial aircraft. Per AO 2020-  
20 96, if approved as presented, personal-use, non-scheduled aircraft are exempted from  
21 assessment and taxation as personal property within the Municipality's boundaries.

22  
23 Approval of this Assembly Memorandum formally authorizes adoption of this formula and

1 provides the basis for the Property Appraisal Division to develop detailed administrative  
2 procedures. Future changes to this formula, if any, will be brought to the Assembly for  
3 review and approval (e.g., for example, periodic CPI adjustment every five years).

4  
5 Because AO 2020-96 proposes this flat tax, the Administration recommends waiting to  
6 take action on this AM until the Assembly has voted on AO 2020-96.

7  
8 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

9  
10 Prepared by: Jack Gadamus, Municipal Assessor  
11 Approved by: Alexander Slivka, CFO  
12 Concur: Lance Wilber, Director, Office of Management and Budget  
13 Concur: Kathryn R. Vogel, Municipal Attorney  
14 Concur: William D. Falsey, Municipal Manager  
15 Respectfully submitted: Ethan A. Berkowitz, Mayor