

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  
42  
43  
44

Introduced by: Borough Manager  
Requested by: Finance Director  
Drafted by: Finance Director  
Introduced: 05/05/2011  
Public Hearing: 05/19/2011  
Postponed: 06/02/2011  
Amended: 06/02/2011  
Adopted: 06/02/2011

**KODIAK ISLAND BOROUGH  
ORDINANCE NO. FY2011-16**

**AN ORDINANCE OF THE KODIAK ISLAND BOROUGH ASSEMBLY  
AMENDING KODIAK ISLAND BOROUGH CODE OF ORDINANCES  
TITLE 3 REVENUE AND FINANCE CHAPTER 3.45 SEVERANCE TAX  
SECTION 3.45.020 RESOURCES SUBJECT TO TAX  
AND SECTION 3.45.010 DEFINITIONS**

**WHEREAS,** instead of spreading severance tax revenues across all area-wide funds that levy a property tax; all proceeds will go to the general fund; and

**WHEREAS,** under the current regulations, the severance tax rate would have to be increased any time an area-wide service would be started if it was going to be financed with property taxes; and

**WHEREAS,** with the current KIB accounting system, allocating severance taxes to more than one fund would be extremely difficult; and

**WHEREAS,** under the current regulations, the severance tax rate is not set for the third quarter (July 1) of each year until the first 10 days of June;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH THAT:**

**Section 1:** This ordinance is of a general and permanent nature and shall become a part of the Kodiak Island Borough Code of Ordinances.

**Section 2:** Kodiak Island Borough Code of Ordinances Title 3 *Revenue and Finance* Chapter 45 *Severance Tax* Section 020 *Resources Subject To Tax* is hereby amended as follows:

**3.45.020 Resources subject to tax.**

There is levied in the borough, on any severer or harvester of certain natural resources, an excise tax, denominated as a severance tax. The tax rate shall be ~~the borough-wide mill levy as determined annually by the assembly~~ the sum of all area-wide mill levies which will be multiplied by the gross production value for the calendar quarter resulting from the following activities:

- 45 A. Mining, extracting, harvesting, removing or producing for sale, profit, or commercial  
46 use, any copper, gold, silver, zinc, lead, molybdenum, or other metallic mineral  
47 product, compound, or combination of mineral products;
- 48 B. Felling, removing, or producing for sale, profit, or commercial use, timber or any  
49 product of the forest;
- 50 C. Gravel mining, quarrying, or producing for sale, profit, or commercial use, any sand,  
51 gravel, rock or coal; and
- 52 D. Harvesting of any raw finfish, shellfish, mollusks and other commercial products of  
53 the sea.

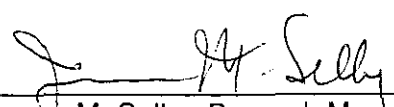
54  
55 **Section 3: All severance tax proceeds will be deposited into the General Fund.**

56  
57 **Section 4:** This ordinance shall become effective on July 1, 2011

58  
59 **ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH**  
60 **THIS SECOND DAY OF JUNE, 2011**

61  
62 KODIAK ISLAND BOROUGH

63  
64  
65  
66  
67 ATTEST:

68  
69  
70   
71 \_\_\_\_\_  
72 Jerome M. Selby, Borough Mayor

73  
74  
75  
76  
77   
78 \_\_\_\_\_  
79 Nova M. Javier, MMC, Borough Clerk

80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90 *Clerk's note: There was a proposal to amend KIBC 3.45.010(C) by removing the words*  
91 *"beginning July 1st after the date of the setting of the mill levy" when the ordinance was*  
92 *introduced. After public hearing, they were put back in as an amendment.*