

Introduced by: Manager's Office
Drafted by: M. Slife
Introduced on: 6/21/2018
Public Hearing Date: 07/05/2018
Amended on: 07/05/2018
Adopted on:07/05/2018

**KODIAK ISLAND BOROUGH
ORDINANCE NO. FY2019-04**

AN ORDINANCE OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH REVISING KODIAK ISLAND BOROUGH TITLE 3.45 SEVERANCE TAX TO ALLOW WAIVER OF SEVERANCE TAXES FOR NON-PROFITS BY MAJORITY VOTE OF THE KODIAK ISLAND BOROUGH ASSEMBLY.

WHEREAS, Severance tax is a form of excise tax levied on all resources extracted from Kodiak Island Borough lands and waters; and

WHEREAS, Non profits have approached Kodiak Island Borough to harvest resources for fundraising efforts and have had to pay severance tax thereby decreasing profits; and

WHEREAS, Kodiak Island Borough Code does not provide a mechanism for severance tax exemption for non-profits; and

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: That section 3.45.030 Exemption. of the Kodiak Island Borough Code of Ordinances is amended by adding a new section to read:

3.45.030 Exemptions.

[This exemption does not apply to KIBC 3.45.020\(D\). \[Ord. 91-03 §2, 1991. Formerly §3.26.030\].](#)

[A.](#) If the annual gross production value of severed or harvested natural resources within the borough does not equal or exceed the amount of \$5,000 annually, the severer or harvester shall be exempt from taxation under this chapter. ~~This exemption does not apply to KIBC 3.45.020(D). [Ord. 91-03 §2, 1991. Formerly §3.26.030].~~

[B. Severance Taxes may be waived for eligible 501c \(3\) organizations upon application to the Borough Manager. This waiver is available for non-profit fundraising activities which are related to the use of resources extracted from Kodiak Island Borough Lands.](#)

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C. The total of exempted severance tax shall not exceed \$500.00

Effective Date: This ordinance takes effect upon adoption. (Note: KIBC 2.30.070 states an ordinance takes effect upon adoption or at a later date specified in the ordinance.)

ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS _____ DAY OF _____, 201X.

KODIAK ISLAND BOROUGH



Daniel A. Rohrer, Mayor

ATTEST:



Nova M. Javier, MMC, Clerk

VOTES:

UNANIMOUS VOTE:

Ayes: Crow, Kavanaugh, Schroeder, Skinner, Smiley, Van Daele