

**KODIAK ISLAND BOROUGH
ORDINANCE NO. FY2021-27**

**AN ORDINANCE OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH 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
SETTING AN EXCISE TAX RATE**

WHEREAS, severance tax, a form of excise tax, was established to levy a tax on all resources extracted from Kodiak Island Borough lands and waters; and

WHEREAS, the current severance tax rate is the sum of all area-wide mill levies; and

WHEREAS, the recent voter approved tax revenue cap may change the area-wide mill rates annually; and

WHEREAS, the Kodiak Island Borough seeks to maintain a stable severance tax rate for the Borough and for entities subject to the severance tax.

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

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

Section 2: That section 3.45.020 of the Kodiak Island Borough Code of Ordinances is amended to read 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 sum of all area-wide mill levies~~ 0.01075 which will be multiplied by the gross production value for the calendar quarter resulting from the following activities:

- A. Mining, extracting, harvesting, removing or producing for sale, profit, or commercial use, any copper, gold, silver, zinc, lead, molybdenum, or other metallic mineral product, compound, or combination of mineral products;
- B. Felling, removing, or producing for sale, profit, or commercial use, timber or any product of the forest;
- C. Gravel mining, quarrying, or producing for sale, profit, or commercial use, any sand, gravel, rock or coal; and

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D. Harvesting of any raw finfish, shellfish, mollusks and other commercial products of the sea.

Effective Date: This ordinance takes effect at midnight on March 31, 2021.

ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS 14th DAY OF JANUARY, 2021.

KODIAK ISLAND BOROUGH



William Roberts, Mayor

ATTEST:



Alise L. Rice, Borough Clerk



VOTES:

Ayes:

Noes:

Removed During Packet Review On 01/14/2021