Presented by: Weldon, Hale, Triem
Presented: 8/16/2021
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-37

An Ordinance Authorizing Property Taxes to be Paid in Two Installments for 2021.

WHEREAS, A.S. 29.45.170 and CBJC 15.05.120 require taxpayers to receive an assessment notice that includes dates when the Board of Equalization will sit; and

WHEREAS, the Board of Equalization is supposed to conduct the valuation appeal hearings prior to June 1, so the final assessment roll can be certified by June 1 (CBJC 15.05.230 and A.S. 29.45.210), which can be supplemented for any appeal not heard by May 29 (CBJC 15.05.235 and A.S. 29.45.220); and

WHEREAS, the Board of Equalization conducted its first set of hearings on July 29, 2021, and its second set of hearings are scheduled for August 25, 2021; and

WHEREAS, due to the volume of commercial property tax appeals, the Board of Equalization is diligently scheduling approximately 20 more hearings between August 26 and December 9, 2021; and

WHEREAS, CBJ code currently requires property taxes to be paid on or before September 30 and imposes penalties and interest for delinquent payments (CBJC 69.10.070 and CBJC 69.10.080); and

WHEREAS, taxpayers that have filed appeals with the Board of Equalization may not have had their valuation appeal decided prior to September 30, which forces the taxpayer to pay the assessed taxes despite the appeal and exposes the CBJ to monetary risk of 8% interest plus costs for any excessive assessments (A.S. 29.45.500 and CBJC 69.10.090(c)); and

WHEREAS, the community and especially the businesses dependent on tourism are still recovering from the impacts of COVID-19 and could benefit from paying property taxes in two installments; and

WHEREAS, taxpayers that can pay the full amount of taxes owed are encouraged to do so by September 30, including those with automatic mortgage service payments and those who signed up for direct debit ACH process; and

WHEREAS, A.S. 29.45.250 provides if a tax payer that is given the right to pay the tax in two installments, then the penalty and interest on an unpaid installment accrues from the date the installment comes due; and

WHEREAS, upon balancing the upcoming September 30 tax deadline, the delays in the Board of Equalization schedule, taxpayers that are still recovering from the impacts of COVID-19, and the significant need for the majority of property taxes to be paid by September 30, the Assembly concludes that taxpayers should be allowed to pay the 2021 taxes in two installments.

THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. 2021 Property Tax Installments.

(a) Despite CBJC 69.10.070 or 69.10.080 or any other CBJ code, all taxes levied in accordance with chapter 69.10 and title 15 of CBJ code shall be due and payable as follows:

(1) 80% of the taxes levied shall be due and payable on or before September 30, 2021; and

(2) The remaining 20% of taxes levied shall be due and payable on or before December 31, 2021.

(b) Automated tax payments prearranged with the CBJ prior to Ordinance 2021-37 shall be processed as previously scheduled unless the taxpayer provides written notice to the CBJ by noon on September 23, 2021.

(c) When 80% of the general tax provided in this chapter is not paid on or before the due date of September 30, 2021, the tax shall become delinquent and penalty and interest shall accrue as follows:

(1) On October 1, 2021, a penalty of five percent of the tax due shall be added to all delinquent tax.

(2) On March 1, 2022, an additional penalty of ten percent of the tax due, for a total penalty of 15 percent of the tax due, shall be added to all delinquent tax.

(3) Interest at the rate of 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full as provided by state law.

(d) When the remaining 20% of the general tax provided in this chapter is not paid on or before the due date of December 31, 2021, the tax shall become delinquent and penalty and interest shall accrue as follows:

(1) On January 1, 2022, a penalty of five percent of the tax due shall be added to all delinquent tax.

(2) On March 1, 2022, an additional penalty of ten percent of the tax due, for a total penalty of 15 percent of the tax due, shall be added to all delinquent tax.

(3) Interest at the rate of 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full as provided by state law.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2021.

_____
Beth A. Weldon, Mayor

Attest:

_____
Elizabeth J. McEwen, Municipal Clerk