

ORDINANCE NO. 395

CITY OF CRAIG

AUTHORIZING SETTLEMENT OF THE PENDING AD VALOREM PROPERTY
TAX DISPUTE WITH SHAAN-SEET, INCORPORATED

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG,
ALASKA

1. **Purpose.** The purpose of this ordinance is to specifically authorize settlement of the pending ad valorem property tax dispute with Shaan-Seet, Incorporated. Council approval of this ordinance constitutes approval of a full, final and complete settlement of such existing ad valorem property tax dispute with Shaan-Seet on the terms set forth in the attached Settlement Agreement.

2. **Classification.** This is a non code ordinance.

3. **Non-Severability.** All terms and provisions of this ordinance, and of the Settlement Agreement hereby adopted, are mutually dependent upon the other terms and conditions, in as much as the Parties have bargained for a full and complete settlement. Therefore if any provision of this ordinance is held invalid, the remainder of the ordinance and Settlement Agreement hereby adopted shall also be invalidated.

4. **Effective Date.** This ordinance shall become effective upon adoption.

5. **Adoption of Settlement.**

(a) The Craig City Council hereby authorizes and approves a full, final and complete settlement of the pending ad valorem property tax dispute with Shaan-Seet, Incorporated on the terms set forth in the Settlement Agreement, Exhibit 1.

(b) The Craig City Council hereby authorizes the mayor to execute the attached Settlement Agreement. The City's attorneys are authorized to make such ministerial additions or corrections as shall be necessary to accomplish the purposes and intent of the settlement.

(c) The Council further authorizes and directs the mayor and the City's legal counsel to execute any and all documents which may be necessary to implement the settlement agreement.

EXHIBIT A

SETTLEMENT AGREEMENT

This Agreement is made and entered on the dates appearing below by and between Shaan-Seet, Incorporated ("Taxpayer") and the City of Craig, Alaska ("City"). Now therefore the parties hereby agree as follows:

1. **Background.** Taxpayer owns certain lands ("ANCSA Lands") within the municipal corporate boundaries of City which were conveyed Taxpayer under the Alaska Native Claims Settlement Act ("ANCSA"), codified at 43 USC 1601 et seq. City has asserted that certain of these ANCSA Lands are subject to the City's ad valorem property tax under Craig Municipal Code 3.04.010 et seq. and A.S. 29.45.010 for various calendar years (an "Assessment Year"), and Taxpayer has disputed such taxation. Taxpayer and City desire to resolve their dispute on the terms set out herein.

2. **Cash Payment.** Within 10 days of the last to occur of (i) ratification of this Agreement by the City's Board of Equalization and (ii) adoption by the City Council of an Ordinance approving this Agreement ("Settlement Ordinance"), Taxpayer shall pay the City \$4,433. Payment of such amount, and acceptance of such amount by the City shall in no sense constitute a waiver or admission of any particular legal theory or fact asserted by either party in the pending property tax dispute, but it shall fully settle the dispute as set forth in Section 4 hereof.

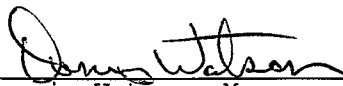
3. **Ratification.** Effectiveness of this Agreement is contingent upon the City's Board of Equalization approving this Agreement on or before March 2, 1995, as well as adoption by the City Council no later than March 2, 1995 of an ordinance adopting this Agreement.

4. **Disputes Settled.** Payment by Shaan-Seet of the \$4,433 set forth in Section 2 above shall constitute full, complete and final settlement of any and all claims by the City that Shaan-Seet owes additional taxes, penalties or interest ("Taxes") for any Assessment Year ending on or before December 31, 1994 as well as any claim by the City that Taxpayer owes additional Taxes during any Assessment Year on account of taxpayer's timber harvest activity occurring on or before December 31, 1994. The City hereby releases Taxpayer from all such claims for additional Taxes, whether such claims would be asserted by Supplemental Assessment or otherwise. Taxpayer agrees it will make no claim on any theory for a refund of the amounts described in Section 2.

5. **Equalization Hearing Rights.** Taxpayer acknowledges that upon ratification of this Agreement and performance of the provisions hereof, Taxpayer has been accorded its right to an equalization hearing as described in Craig Municipal Code 3.04.060 for Assessment Years ending on or before December 31, 1994.

Entered on the dates appearing below.

City of Craig, an Alaska Municipal Corporation Shaan-Seet, Incorporated

By: 
Dennis Watson, Mayor

By: 
Paul A. Lingley, President

Date: 3-2-95

Date: 3-2-95

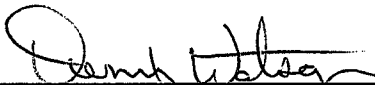
ADOPTED BY THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA.

This 2 day of March, 1995.

Date of First Reading: December 14, 1995


Date of Public Hearing: March 2, 1995

Date of Adoption: March 2, 1995



Mayor Dennis Watson

ATTEST:



Helen Gray, City Clerk



EXHIBIT 1: Settlement Agreement