

**PROPOSITION NO. 1**  
**Increasing the Residential Real Property Tax Exemption**  
*To be voted on by all borough voters*

Ordinance 2004-23, Section 1, would increase the allowable residential property tax exemption for qualifying taxpayers from \$10,000 to \$20,000. Shall Kenai Peninsula Borough Ordinance 2004-23, Section 1, be ratified?

YES *[A Yes Vote will exempt from taxation the first \$20,000 of assessed value of a single parcel of residential real property owned and occupied by the owner of record as the owner's permanent place of residence in the borough.]*

NO *[A No Vote will result in no change to the current borough tax code, and the current \$10,000 residential real property tax exemption will remain in effect.]*

During the last legislative session, the State Legislature adopted SB 136, raising the allowable residential property tax exemption from \$10,000 to \$20,000. An ordinance authorizing this exemption must be ratified by the voters of the borough before it can take effect.

Currently, the borough exempts from taxation the first \$10,000 of assessed value of a single parcel of residential real property owned and occupied by the owner of record as the owner's permanent place of residence in the borough. Ordinance 2004-23, adopted by the Borough Assembly on August 3, 2004, would increase this exemption from \$10,000 to \$20,000. If approved by the voters, this increase in the tax exemption will take effect December 31, 2004. This proposition only applies to borough property taxes and not to property taxes imposed by the incorporated cities of the borough.

**FISCAL NOTE:** Based upon current assessed values, this increase in the tax exemption would result in a loss of approximately \$577,250 in annual tax revenues to the borough's general fund. In addition, following is a table showing the impact this tax exemption would have on each service area of the borough:

Service Area	Tax Revenue Loss	Service Area	Tax Revenue Loss
Lowell Point Emergency Serv.	\$245.	Seward/Bear Creek Flood Serv.	\$2,911.
Central Peninsula Hospital	\$58,632.	South Peninsula Hospital	\$38,684.
Nikiski Fire	\$20,044.	North Peninsula Recreation	\$8,715.
Nikiski Seniors	\$1,145.	Bear Creek Fire	\$6,482.
Central Emergency Services	\$80,774.	Central Peninsula EMS	\$5,210.
Road Service Area	\$84,473.	Anchor Point Fire/EMS	\$9,006.
Kachemak Emergency Services	\$11,325.	Kenai Peninsula College	\$8,881.