

Introduced by: Scalzi  
Date: 03/15/94  
Public Hearing: 04/19/94  
Action: Failed Introduction  
Vote: 4 yes, 4 no

KENAI PENINSULA BOROUGH  
ORDINANCE 94-14

**AN ORDINANCE REPEALING THE PROPERTY TAX EXEMPTION FOR SENIOR  
CITIZENS AND DISABLED VETERANS OVER THE \$150,000 MANDATED BY THE  
STATE OF ALASKA**

**WHEREAS,** in 1986 the Borough Assembly enacted Ordinance 86-78, which granted a property tax exemption for the assessed value of residential real property exceeding the \$150,000 exemption required to be granted by AS 29.45.030(e), which was approved by the borough voters at the 1986 election; and

**WHEREAS,** none of the cities in the borough have adopted this additional exemption; and

**WHEREAS,** AS 29.45.030(g) requires the State of Alaska to reimburse the Borough for tax revenues lost through the required exemption for \$150,000 of assessed value, and since 1986 the State of Alaska has steadily decreased the reimbursement rate creating a large unfunded mandate; and

**WHEREAS,** the loss of revenue from KP.B 5.12.105 unfunded mandate is \$194,290.05 FY94; and

**WHEREAS,** the loss in revenue to the KP.B from this exemption has been growing at approximately 4.5% per year; and

**WHEREAS,** in the next twenty years the generation of "baby boomers" that retire on the Kenai Peninsula will offer little or no real property tax to support services and programs which they have helped create; and

**WHEREAS,** it was not the intent of the State to protect large land holdings, multiple parcels, subdivisions, and exclusive homes that create a tax shelter, but was intended to ease the burden on retiring seniors for their **home**; and

**WHEREAS,** it was not the intent of the Kenai Peninsula Borough to exempt property owners for value in excess of \$150,000 who **do not actually** reside in the Kenai Peninsula Borough for at least more than half the year, and certainly not for simply summer residency in the Kenai Peninsula Borough; and

**WHEREAS**, it is in the best interest of any governing body to have long term fiscal planning;  
and

**WHEREAS**, taxes generated from real property help offset the budgeted expenditures for senior citizens programs which in 1993 was \$184,000.00;

**NOW, THEREFORE, BE IT ORDAINED BY THE KENAI PENINSULA BOROUGH ASSEMBLY:**

**SECTION 1.** That KPB Section 4.12.105 is hereby repealed.

**SECTION 2.** That this ordinance takes effect on January 1, 1995.

**ENACTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1994.**

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Betty J. Glick, Assembly President

ATTEST:

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Gaye J. Vaughan, Borough Clerk