

Introduced by: Tax Subcommittee
Date: 2/07/95
Hearing: 3/07/95
Action: Enacted
Vote: 5 Yes, 3 No

**KENAI PENINSULA BOROUGH
ORDINANCE 95-04**

**AN ORDINANCE AMENDING THE PROPERTY TAX EXEMPTION FOR SENIOR
CITIZENS AND DISABLED VETERANS CONTAINED IN KPB 5.12.105**

WHEREAS, in 1986 the Kenai Peninsula Borough 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 borough voters at the 1986 election; and

WHEREAS, the Kenai Peninsula Borough is one of the few municipal taxing authorities in the State of Alaska to so exempt values in excess of \$150,000; and

WHEREAS, it was originally intended that the State of Alaska would reimburse the Kenai Peninsula Borough for real property tax revenues lost by the operation of this exemption; and

WHEREAS, the State of Alaska has consistently reduced the amount it reimburses the Borough for resulting lost revenues [in 1994 reimbursement was only 6.8%] and, in fact, it may repeal the entire mandated senior/disabled veteran exemption; and

WHEREAS, the Kenai Peninsula Borough values the contributions made by its senior citizens and disabled veterans and intends to provide for these citizens a stable program for property tax exemption regardless of the State's action or inaction; and

WHEREAS, the increasing financial burden of this unfunded state exemption mandates a modification to the present exemption program to preserve its intended purpose;

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

SECTION 1. That KPB 5.12.105, as presently written, is hereby repealed and reenacted to read:

5.12.105. Real property tax — Exemptions — Senior Citizens, disabled veterans and surviving spouses thereof.

A. A single parcel of real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or a resident at least 60 years old who is the widow or widower of a person who qualified for this exemption under (1) or (2) of this subsection, is exempt from taxation on the first \$250,000 assessed value of the real property. The limitation to a single parcel shall apply unless the applicant has applied for and received

a determination that any additional parcel proposed for exemption qualifies as a subsidiary parcel eligible for inclusion as part of the primary residence and permanent place of abode under state law. In no event shall an exemption be allowed for a total value in excess of \$250,000 for all parcels included under the exemption.

B. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide among themselves who is to receive the benefit of the exemption.

C. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption.

D. No exemption under this section may be granted except upon written application on a form prescribed by the assessor. The applicant/owner must file the application no later than January 15 of each assessment year for which the exemption is sought.

E. The assessor may presume that property has not been occupied as a primary residence and permanent place of abode if the applicant occupied it for less than 183 days during the previous year unless the applicant provides satisfactory evidence that the failure to meet this requirement did not involve occupancy of another dwelling as a primary residence and permanent place of abode.

F. Definitions.

1. For purposes of this section "real property" includes mobile homes whether classified as real or personal property for municipal tax purposes.

2. For purposes of this section a "disabled veteran" means a disabled person (a) separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Veteran's Administration; or (b) who served in the Alaska Territorial Guard, who is a resident of the state, whose disability was incurred or aggravated in the line of duty while serving in the Alaska Territorial Guard, and whose disability has been rated as 50 percent or more.

SECTION 2. KPB 5.12.105(A), as re-enacted in Section 1, above, shall be amended to read:

A. A single parcel of real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or a resident at least 60 years old who is the widow or widower of a person who qualified for this exemption under (1) or (2) of this subsection, is exempt from taxation on the first \$150,000 [\$250,000] assessed value of the real property. The limitation to a single parcel shall apply unless the applicant has applied for and received a determination that any additional parcel proposed for exemption qualifies as a subsidiary parcel eligible for inclusion as part of the primary residence and permanent place of abode under state law. In no event shall an exemption be allowed for a total value in excess of \$150,000 [\$250,000] for all parcels included under the exemption..

SECTION 3. That Section 1 of this ordinance shall take effect on January 1, 1996.

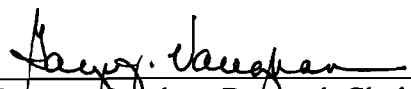
SECTION 4. That Section 2 of this ordinance shall take effect on January 1, 1997.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7th DAY
OF MARCH, 1995.



Andrew P. Scalzi, Assembly President

ATTEST:



Gaye J. Vaughan, Borough Clerk