

Introduced by: Tax Subcommittee  
Date: 8/01/95  
Shortened Hearing: 8/15/95  
Action: Failed to set for hearing  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 95-26**

**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; and

**WHEREAS,** the voters approved this exemption structure, it is appropriate that they should modify the amount of the exemption, if they so choose, rather than the assembly; and

**WHEREAS,** clarification of the standards for entitlement to the exemption and of the scope of the exemption is needed as soon as possible regardless of the eventual amount of the exemption;

**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**SECTION 1.** That KPB 5.12.105, as presently written, is hereby repealed and reenacted to read: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. The maximum amount of the exemption shall be as set forth in subsection (G) of this section. 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.

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.

G. Subject to the requirements of this section, the total value of property which can be exempted pursuant to this section is unlimited beyond the \$150,000 as mandated by state statute.

**SECTION 2.** That KPB 5.12.105(G) is amended to read:

G. Subject to the other requirements of this section, the total value of property which can be exempted pursuant to this section is [UNLIMITED BEYOND THE] \$150,000 or as [MANDATED] allowed by state statute.

**SECTION 3.** That the following proposition shall be placed on the October 3, 1995 ballot:

In 1986 the Kenai Peninsula Borough Assembly enacted Ordinance 86-78, which granted a senior citizen/disabled veteran property tax exemption for the assessed value of residential real property exceeding the \$150,000 exemption required to be granted by Alaska Statutes. Ordinance 86-78 was approved by borough voters at the 1986 election. Ordinance 95-26, Section 2, would limit the senior citizen/disabled veteran property tax exemption to \$150,000. Shall Kenai Peninsula Borough Ordinance 95-26, Section 2 be ratified? A YES vote for this 1995 proposition would limit the total exemption to \$150,000. A NO vote would continue to grant unlimited exemption to senior citizens and disabled veterans.

**SECTION 4.** That Section 2 of this ordinance shall become effective December 31, 1995, only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular Borough election to be held on October 3, 1995. The remaining sections of this ordinance shall take effect immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 1995.**

\_\_\_\_\_  
Andrew P. Scalzi, Assembly President

ATTEST:

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Gaye J. Vaughan, Borough Clerk