

Introduced  
Date: 8/18/98  
Hearing: 9/15/98  
Action: Enacted as Amended  
Vote: Unanimous

**KENAI PENINSULA BOROUGH  
ORDINANCE 98-46**

**AN ORDINANCE ADOPTING REGULATIONS GOVERNING  
THE \$100,000 PERSONAL PROPERTY TAX EXEMPTION  
PREVIOUSLY ESTABLISHED IN ORDINANCE 97-73**

**WHEREAS,** Ordinance 97-73, codified in provisions of KPB Chapter 5.12, created a \$100,000 personal property tax exemption, in addition to changing other provisions in the personal property tax code; and

**WHEREAS,** KPB 5.12.180, governing filing requirements, authorizes the mayor to adopt regulations, subject to assembly approval, for the administration and enforcement of that provision; and

**WHEREAS,** AS 29.25.040 authorizes the assembly to adopt by reference provisions of a published code of municipal regulations in accordance with statutory procedures; and


**WHEREAS,** regulations clarifying filing, reporting, and taxation requirements are needed to assist in the administration and enforcement of the tax code changes regarding the \$100,000 personal property tax exemption;

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

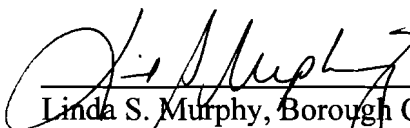
**SECTION 1.** That the assembly adopts the attached regulations entitled "Kenai Peninsula Borough Regulations Governing the \$100,000 Personal Property Tax Exemption", which are incorporated by reference as if fully set forth herein.

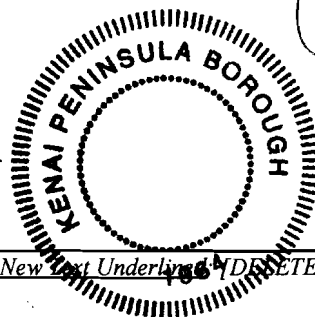
**SECTION 2.** That this ordinance shall take effect immediately upon its adoption.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 15TH DAY OF SEPTEMBER, 1998.**

  
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Jack Brown, Assembly President

ATTEST:

  
\_\_\_\_\_  
Linda S. Murphy, Borough Clerk



**KENAI PENINSULA BOROUGH REGULATIONS  
GOVERNING THE \$100,000 PERSONAL PROPERTY TAX EXEMPTION**

**05.200. Authority for Borough Ad Valorem Exemption.**

- A. KPB Ordinance 97-73, codified in KPB Chapter 5.12, exempts the first \$100,000 of personal property, other than motor vehicles and U.S. Coast Guard registered watercraft, owned by each taxpayer.
- B. AS 29.45.050(b)(2) authorizes municipalities to classify as to type and exempt, or partially exempt, some or all types of personal property from ad valorem taxes.

**05.210. Purpose.**

The purpose of these regulations is to provide rules for the consistent administration and enforcement of the \$100,000 personal property tax exemption, and to simplify compliance by the public.

**05.220. Scope.**

These regulations describe the filing requirements for personal property subject to the \$100,000 exemption. Compliance with city tax codes is not described in these regulations. The cities of Homer, Kachemak, Kenai, Seward, Soldotna and Seldovia tax personal property according to the applicable city code.

**05.230. Filing requirements for personal property located in the Kenai Peninsula Borough.**

- A. Except as provided below in 05.230 (B)(2), returns are not required to be filed by taxpayers owning or having an interest in or holding or controlling personal property located in the borough valued less than \$100,000. Taxpayers shall timely provide information reasonably requested by the borough assessor for purposes of ascertaining ownership, location and valuation of personal property located in the borough.
- B. Returns must be filed by taxpayers for the following personal property located in the borough:
  - 1. All taxpayers owning or having an interest in or holding or controlling personal property valued greater than \$100,000, unless otherwise exempted from tax by borough code.
  - 2. All personal property that is located within the boundaries of an incorporated city, unless it is otherwise exempt from filing by both borough and city code.
- C. Each duly licensed existing corporation and other duly formed existing entity, legally recognized as a separate legal entity capable of separately owning property, is considered to be a separate taxpayer and will qualify for one \$100,000 exemption.
- D. Personal Property returns will be accepted only on the forms approved by the

Borough Assembly. These forms shall be available free of charge from the Borough Clerk and from City Halls within the Borough.

- E. The returns must be filed with the Borough Assessor on or before **February 15th** of each year.

**05.240 Taxpayers with multiple accounts.**

The \$100,000 exemption shall be distributed pro rata amongst all of each taxpayer's accounts based on the proportion of the assessed value of the taxpayer's interest in property in each account to the total assessed value of that taxpayer's personal property.

**05.250 Jointly owned personal property.**

A maximum exemption of \$100,000 applies to each separate personal property account, regardless of the number of owners. The exemption shall be applied to each taxpayer in proportion to each taxpayer's ownership interest in the property. The maximum exemption amount available to any taxpayer subject to this section who also has multiple accounts shall be limited to the pro rata portion of the \$100,000 exemption applied to that taxpayer's interest in the jointly owned property pursuant to section 05.240 of these regulations. The assessor may treat each taxpayer as having an equal interest in jointly owned property absent reasonably reliable evidence to contrary provided by the taxpayer.

**05.260. Tax on watercraft and motor vehicles per KPB Ordinance 97-73**

- A. All USCG registered watercraft located within the Kenai Peninsula Borough will be taxed according to overall length, in an amount set by the watercraft flat tax schedule contained in KPB 5.12 and any regulations adopted pursuant thereto.
- B. All motor vehicles in the Kenai Peninsula Borough are assessed taxes upon registration as provided by AS 28.10.431 and pursuant t KPB 5.12.245.

**05.270. Definitions:**

- A. "Account", as used in these regulations, means the categorization of property by the borough assessor in which all property owned by the same taxpayer, or group of taxpayers, and situated in the same tax code area, is grouped together and assigned an individual account number. For purposes of these regulations, an account does not include separate billing accounts that may be established for other reasons.
- B. "Located," as used in these regulations, means the physical place where situs is established as defined in borough regulations governing situs. Copies of such regulations are available in the Borough Assessing Department.
- C. "Taxpayer" as used in these regulations, means a person or corporation that is chargeable for the personal property tax in the Kenai Peninsula Borough under applicable law.