

Introduced by: Mayor
Date: 11/17/98
Shortened Hearing: 12/08/98
Action: Withdrawn
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 98-67**

**AN ORDINANCE AMENDING THE TAX CODE REGARDING
THE PARTIAL EXEMPTION OF ASSESSED VALUATION OF PROPERTY
USED FOR ECONOMIC DEVELOPMENT**

WHEREAS, Kenai Peninsula Borough Code 5.12.116, Economic Development Property Exemption, was enacted to provide an incentive for businesses to locate within the Kenai Peninsula Borough; and

WHEREAS, KPB 5.12.116 needs clarification for consistent administration and enforcement of the code; and

WHEREAS, state statutes are less restrictive than Borough code and therefore KPB 5.12.116 should be amended to bring it into compliance with AS 29.45.050;

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

SECTION 1. That KPB 5.12.116 shall be amended as follows:

5.12.116. Economic development property exemption.

A. The assessed value of property used for economic development, as defined in this section, is partially exempt from borough property taxes, under the conditions listed in this section.

B. "Property used for economic development", as used in this section, means that part of real or personal property, as determined by the borough assessor, that:

1. Has not previously been taxed as real or personal property by the borough;
2. Does not compete with an existing business in goods or services produced;
3. Has not been used in the same trade or business in another municipality for at least six months before the application for exemption is filed. This paragraph does not apply if the property was used in the same trade or business in an area that has been annexed to the

municipality within six months before the application for deferral or exemption is filed [; AND THIS PARAGRAPH] and does not apply to inventories;

and

4[2]. Is used in a trade or business in a way that

- a. Creates employment in the borough; [AND]
- b. Generates sales outside of the borough of goods or services produced in the borough; or [MATERIALLY REDUCES THE IMPORTATION OF GOODS OR SERVICES FROM OUTSIDE THE MUNICIPALITY;]
- c. Materially reduces the importation of goods or services from outside the municipality.

C. The exemption shall be for fifty percent (50%) of the assessed value of the property, for up to five consecutive years with no renewals. No business shall receive the exemption beyond five years from the first date of application for real or personal property. The exemption ends after the five years regardless of the year of acquisition or construction of the property.

D. The exemption applies only to new structures or additions to existing structures.

E. The following improvements are not eligible for the exemption: Remodeling or renovation to existing structures, site preparation or excavation.

E. [D]. [ANY PROPOSAL] Before an exemption can be granted, it must be approved by assembly resolution after public hearing.

G. [E]. In order to qualify for this exemption, an applicant must file, with the borough assessor, a written application for the exemption no later than January 15 of each assessment year for which the exemption is sought. The application shall be on a form prescribed by the borough assessor, and shall include all information determined to be necessary by the assessor to determine eligibility of the property for the exemption. If the applicant fails or refuses to provide information required or requested by the assessor, within the time period set by the assessor, the exemption shall be denied. The assessor may make an independent investigation of the application or property in making a determination under this section. The assessor shall notify the applicant, in writing, of the assessor's determination on the application for exemption.

H. [F]. An applicant delinquent in the registration for, filing of a return for, or payment of, any borough or city property or sales tax, or borough special assessment, may not be granted an exemption under this section.

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

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

Ronald Wm. Drathman, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk