

Introduced by: Mayor
Date: 08/06/02
Hearing: 09/03/02
Action: Enacted as Amended
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
ORDINANCE 2002-30**

**AN ORDINANCE ENACTING KPB 5.12.111 TO PROVIDE A TAX EXEMPTION FOR
AN INCREASE IN THE ASSESSED VALUE OF PROPERTY RESULTING FROM
HARVESTING INSECT-INFESTED TIMBER**

- WHEREAS,** timber resources on much of the real property in the borough have been significantly infested by insects that are killing trees and creating an ever increasing serious risk of fire on infested and adjacent land; and
- WHEREAS,** prompt reduction of the fire danger is in the best interest of the Kenai Peninsula Borough and the State; and
- WHEREAS,** the efforts of landowners taken primarily for the purpose of reducing fire danger on their land and adjoining land should not increase their taxes; and
- WHEREAS,** sound management of forest resources is in the best interest of the landowner, the borough, and the state; and
- WHEREAS,** granting the exemption authorized pursuant to AS 29.45.050 as amended by H.B. No. 358 (ch. 64, §§ 1-4 SLA 2002) will encourage landowners to harvest infested timber resources as expeditiously and in a manner that will produce healthy forest growth and reduce fire danger;

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

SECTION 1. Chapter 12 of Title 5 of the Kenai Peninsula Borough Code is hereby amended by adding a new section as follows:

5.12.111. Real property tax and affixed personal property tax—Exemptions—Harvesting insect infested timber resources.

- A. The increase in assessed value of property resulting from timber harvest and related actions is exempt from taxation on the following described property:
1. The harvested area of land significantly infested or at risk of being significantly infested with insects due to an infestation of insects in the area in which the land is located.
 2. Improvements to the real property for which this exemption is sought, including personal property affixed to the improvements located on such property, if they are used for and are necessary for the harvest of the timber that is infested or in danger of being infested.
 3. To the extent the timber harvest converts exempt property to taxable

property, this exemption shall apply to the entire assessed value of the property.

B. A significant infestation in the area in which the land is located means a widespread and intensive insect attack that will result in mortality of timber resources or has already caused large scale tree mortality.

C. Land considered at risk of being significantly infested must have the following two characteristics: (1) the land must have a forest structure that is susceptible to significant insect infestation, and (2) a significant level of insect population development is located immediately adjacent or within close proximity of the forested land.

D. For timber to be considered harvested, the timber must be cut and removed.

E. No exemption under this section may be granted except upon a properly completed written application using the form prescribed by the assessor. The applicant/owner must file the application no later than [THE DATE] January 15 of each assessment year for which an exemption is sought, along with a copy of the detailed plan of operation (DPO) required by 11 AAC 95.220 as filed with the Division of Forestry. In the event the DPO extends beyond the initial assessment year, the applicant must file additional complete application(s) no later than [MAY] January 15 of each assessment year for which an exemption is sought. The borough assessor must be promptly provided with a copy of any amendment of the DPO. The exemption will be for the prior calendar year harvests.

F. The applicant must promptly notify the borough in writing if the period of actual operation commences earlier or ends later than the expected dates of operation shown on the application.


G. The assessor shall have the authority to deny part or all of an exemption request if the application is incomplete or an investigation and inspection of the property reveals that the timbering does not meet the requirements of this ordinance and AS 29.45.050(q) or the area timbered is different from that stated in the exemption request.

SECTION 2. Retroactive exemptions may be granted for the 2001 assessment year if the completed application is filed with the assessor within the deadline for filing an application for the 2002 assessment year, which is January 15, 2003.

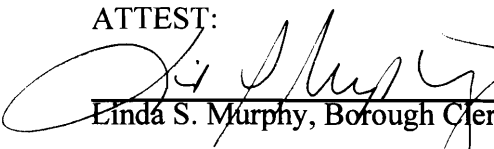
SECTION 3. This ordinance will automatically expire at midnight on December 31, 2007, unless the assembly, by ordinance, alters or amends that date.

SECTION 4. This ordinance shall become effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 3RD DAY OF SEPTEMBER, 2002.


Timothy Navarre, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk

