

Introduced by:

Mayor

Date:

10/28/03

Hearing:

12/16/03

Meeting Recessed until 12/17/03

Action:

Failed to Enact

Vote:

0 Yes, 9 No

**KENAI PENINSULA BOROUGH
ORDINANCE 2003-44**

**AN ORDINANCE AMENDING KPB CHAPTER 5.12 TO PERMIT BOATS USED AS A
PRIMARY RESIDENCE TO BE INCLUDED IN THE SENIOR CITIZEN EXEMPTION
FROM PROPERTY TAXES**

WHEREAS, the borough received a request for a senior exemption on a boat used as a primary residence and permanent place of abode, but was unable to approve the exemption because of the express classification of boats as personal property; and

WHEREAS, Alaska Statutes exempt from taxation the first \$150,000 of the assessed value of real property of senior citizens and disabled veterans owned and occupied as their primary residence and permanent place of abode, and KPB 5.12.105 extended that exemption to an unlimited amount with voter approval; and

WHEREAS, AS 29.45.070 classifies mobile homes, trailers, house trailers, trailer coaches, and similar property used or intended to be used for residential, office, or commercial purposes and attached to the land or connected to water, gas, electric, or sewage facilities as real property for tax purposes unless expressly classified as personal property by ordinance; and

WHEREAS, KPB 1.08.040 (P) expressly classifies boats as personal property; and

WHEREAS, KPB 5.12.105(F) defines mobile homes used as primary residences and permanent places of abode as real property for the purpose of senior and disabled veteran exemptions but does not include boats used as primary residences and permanent places of abode; and

WHEREAS, boats are occasionally attached to the land or connected to water, gas, electric, or sewage facilities and used as primary residences and permanent places of abode; and

WHEREAS, the exemption of the primary residence and permanent place of abode of a senior or disabled veteran is based upon the use of the property as a primary residence and permanent place of abode rather than the surface upon which it resides;

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

SECTION 1. That KPB 5.12.105(F) is amended as follows:

F. Definitions.

1. For purposes of this section "real property" includes mobile homes whether classified as real or personal property for municipal tax purposes and property meeting the requirements of KPB 5.12.160.
2. For purposes of this section, to be eligible for inclusion, a "subsidiary parcel" means the smallest portion of land which is adjacent to the primary parcel, and is necessary for the residential use of the primary parcel. Examples of a subsidiary parcel use which would qualify as necessary and beneficial for the residential use of the primary parcel include, but are not limited to, subsidiary parcels containing a well, septic system, or reasonable driveway, storage building/garage, and personal use gardens.
3. 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.
4. For purposes of this section, "own and occupy" means possession of an interest in real property, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed, or other proof in a form satisfactory to the assessor, and living on that real property as one's primary residence.
5. For purposes of this section, "permanent place of abode" means a dwelling in which the person resides at least 183 days in the year prior to the exemption year and when absent, the dwelling is not leased or rented to another. This includes but is not limited to a mobile home or condominium and include lots or outbuildings, or an appropriate portion thereof, which are necessary for the use of the dwelling unit.
6. For purposes of this section, "resident" means an applicant who has a fixed habitation in the State of Alaska for at least 183 days per calendar year, and, when absent, intends to return to the State of Alaska.
7. For purposes of this section, "senior citizen" means a person who is 65 or older before January 1 of the exemption year.

SECTION 2. That KPB 5.12.150(A) is amended as follows:

5.12.150. Personal property tax—Assessments—Boats—Repair exemption—Appeal.

A. Except as provided below and excluding boats granted an exemption pursuant to KPB 5.12.105, for purposes of taxation, watercraft for which the USCG certificate of number, U.S. or foreign documentation or State of Alaska Department of Motor Vehicles boat registration, or the ADF&G number have been issued, or other watercraft subject to a tax shall be totally exempted from ad valorem taxes, and shall be taxed in accordance with the following flat tax schedule. Watercraft shall be measured according to length overall.

Watercraft Flat Tax Schedule

Class	Watercraft Length Overall	Annual Tax
1	Less than 15 feet	\$0
2	15 to less than 20 feet	0
3	20 to less than 25 feet	50
4	25 to less than 36 feet	150
5	36 to less than 60 feet	250
6	60 to less than 100 feet	500
7	100 or more feet in length	1,000

SECTION 3. That KPB 5.12.160 is amended as follows:

5.12.160. Personal property tax—Mobile homes—Classified as real property—Property tax collection.

Mobile homes, trailers, trailer coaches, boats, and similar property including portable structures, which are set up and skirted, or otherwise attached to the land as permanent owned or occupied residences or used for office or commercial purposes, are classified as real property. The property taxes levied against mobile homes, trailers, trailer coaches, boats, and similar property including portable structures, classified as real property may be collected in accordance with the procedures established for the collection of personal property taxes within the borough.

SECTION 4. That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS *
DAY OF * 2003.**

Pete Sprague, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk