

MEMORANDUM

TO: Grace Merkes, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: John J. Williams, Borough Mayor

FROM: Shane Horan, Borough Assessor

DATE: July 24, 2008

SUBJECT: Ordinance 2008-23, amending KP.B 5.12.105 to extend the hardship application deadline from May 15 to July 1

When the \$300,000 cap on the senior citizen exemption was approved by the voters, the hardship exemption was made available by ordinance. This exemption enables an applicant to receive an exemption for that portion of their property taxes that is greater than 2 percent of their gross household income. Ordinance 2007-39 established the hardship exemption subject to approval by the voters of the \$300,000 cap.

State regulations provide that the deadline is either before July 1 or before a date provided by ordinance (3 AAC 135.040). May 15 was established as the deadline to apply for the hardship exemption under the belief that the assessor would need time to include hardship exemptions in the final assessment roll, which is due June 1. However, upon further consideration, I am comfortable with changing the deadline to July 1. Also, the required application form indicates that the deadline is before July 1 or before a date set by ordinance, but does not show the KP.B deadline of May 15. Accordingly, the administration recommends that this deadline be extended to before July 1 in order to avoid confusion and to allow more time for senior citizens to submit their applications.

Additionally, as this is the first year the cap and hardship exemption are in effect, numerous people filed their applications after May 14. The ordinance is effective retroactively to May 14 to allow the assessor to process applications filed after May 14 and before July 1.

Your approval of this ordinance would be appreciated.