

MEMORANDUM

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

THRU: John J. Williams, Kenai Peninsula Borough Mayor

FROM: Shane Horan, Director of Assessing

DATE: August 7, 2008

SUBJECT: Ordinance 2008-27 allowing for a late-filed river habitat protection exemption for properties exceeding the \$300,000 senior citizen exemption where construction was commenced in 2004, 2005, 2006 or 2007.

At the regular election in 2007, the borough voters adopted a \$300,000 cap for the formerly unlimited senior citizen exemption. It is believed that approximately 80 properties may have potentially qualifying projects for the river habitat exemption authorized by AS 29.45.050 (f) and KPB 5.12.112. The exemption can be taken over a four year period. Because the \$300,000 cap was not adopted until October 2007 and not effective until January 1, 2008, persons with formerly fully senior exempt properties would not have applied for the exemption if they constructed in 2004, 2005, 2006 or 2007 even though they may have constructed projects which qualified for the exemption. This ordinance allows relief to those taxpayers who were qualified for the exemption but did not apply prior to January 1, 2008, because of their tax exempt status. Depending on the year the project was completed, the taxpayer may qualify for the exemption for one, two, three or four years. The borough administration believes it is equitable to allow people who have constructed projects consistent with the habitat protection exemption would have otherwise received had they not been exempt from taxation at the time of construction. The assembly's consideration of this ordinance is appreciated.