



KENAI PENINSULA BOROUGH

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DAVE CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Milli Martin, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: *DR Carey* David R. Carey, Borough Mayor

FROM: *Sh* Shane Horan, Director of Assessing

DATE: February 5, 2009

SUBJECT: Ordinance 2009-12, establishing a filing deadline for the senior citizen and disabled veteran exemption of March 31.

Alaska Statutes provide an exemption from property taxes for the primary residence and permanent place of abode of a resident who turns 65 years of age before January 1. Additionally, a similar exemption is provided for a disabled veteran who has received an honorable discharge from active military service and is at least 50 percent disabled as a result of an injury incurred or aggravated in the line of duty. Finally, this exemption is available for a widow or widower of a person who qualified under the program and who is at least 60 years old.

State law was revised effective January 1, 2002, clarifying that the governing body of a municipality has the authority to waive the filing deadline of February 15. Per Ordinance 2006-26, the Assembly amended KP.B 5.12.105 requiring late applications to be filed by March 31 unless the applicant was unable to comply with this requirement due to the result of a serious condition or event beyond the taxpayer's control.

The costs of administering this exemption, in general, are high due to the responsibility to review every application and follow up with incomplete or questionable ones as well as advertising. Additional staff time processing requests to accept late-filed applications and the Finance Department's refund process can be curtailed through the proposed code change.

It is recommended that the late-filing deadline of March 31 be absolute. After the February 15 filing deadline, all 60,000 assessment notices are mailed out around March 1 stating the assessed value and exemption amount and providing a 30-day appeal/correction window. Per statute, the assessor must certify the assessment roll by June 1. The administration recommends continuing with the February 15 filing deadline with the exception provided for Assembly authorization to process late applications showing good cause filed no later than March 31. This will be consistent with the Mayor's practice of not allowing the various other exemptions provided in code to extend beyond March 31.