

Introduced by: Sprague
Date: 09/26/00
Hearing: 10/24/00
Action: Enacted
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
ORDINANCE 2000-46**

AN ORDINANCE AMENDING KPB CHAPTER 5.12 PROVIDING FOR AN EXEMPTION FROM REAL PROPERTY TAXES FOR THE INCREASE IN ASSESSED VALUE OF IMPROVEMENTS TO REAL PROPERTY THAT ENHANCE THE EXTERIOR APPEARANCE OR AESTHETIC QUALITY OF THE LAND OR STRUCTURE WHERE THE IMPROVEMENT OCCURS WITHIN 150 HORIZONTAL FEET FROM THE MEAN HIGH TIDE LINE OR ORDINARY HIGH WATER LINE OF THE RIVERS AND STREAMS IDENTIFIED IN KPB 5.14.010

- WHEREAS,** the assembly recently enacted Ordinance 2000-24 expanding the Kenai River System Habitat Protection Tax Credit to include other anadromous streams within the borough; and
- WHEREAS,** the tax credit provides property owners with a property tax credit for qualifying out-of-pocket costs incurred to protect the habitat of a river with a maximum limitation of 50 percent of the total taxes due on the property; and
- WHEREAS,** this tax credit is only available for the first three years following completion of the project and is based on the cost of the improvement which does not necessarily correlate to the increase in assessed value of the property which may occur as a result of the improvement that protects the habitat; and
- WHEREAS,** many property owners may be hesitant to construct improvements or alter the natural features of the land in a manner that would improve the habitat for fear of increasing the assessed value of their property and therefore increasing their property taxes; and
- WHEREAS,** Alaska Statute 29.45.050(f) authorizes the borough to exempt from taxation all or part of the increase in assessed value in improvements to property if the increase is directly attributable to alteration of the natural features of the land, new maintenance, repair, or renovation of an existing structure, and if this alteration, repair, or renovation enhances the exterior appearance or aesthetic quality of the land or structure; and
- WHEREAS,** the statutory exemption described above is limited to a period of four years from the date the improvement is completed, or from the date of approval for the exemption by the local assessor, whichever is later; and
- WHEREAS,** the borough assembly finds that the borough's best interests would be served by encouraging property owners to improve the aesthetic value of their property adjacent to rivers and streams in a manner that complies with the limitations on construction provided in KPB Chapter 21.18, as amended, which is designed to protect the habitat;

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

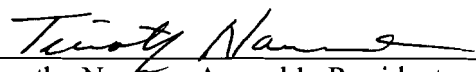
SECTION 1. That KPB 5.12.112 is hereby enacted to read as follows:

5.12.112. Real property tax—Exemptions—Anadromous stream habitat protection area.

- A. All of the increase in assessed value of improvements to real property located within 150 horizontal feet from the mean high tide line or ordinary high water line of the rivers and streams listed in KPB 5.14.010, shall be exempt from taxation for improvements to the real property if:
 - 1. an increase in assessed value is directly attributable to alteration of the natural features of the land, or new maintenance, repair, or renovation of an existing structure; and
 - 2. the alteration, maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the structure; and
 - 3. meets the criteria for a fish habitat and restoration project described in KPB 5.14.040.
- B. An exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for the alteration of land as a consequence of construction activity.
- C. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed, or from the date of approval for the exemption by the local assessor, whichever is later.
- D. In order to qualify for this exemption for any taxable year, the claimant shall make a written application to the assessor who may require such information as is reasonably necessary to determine compliance with the requirements of this ordinance. In order to qualify for the tax exemption for an applicable year, the application must be filed on or before January 15 of the assessment year for which the exemption is sought.

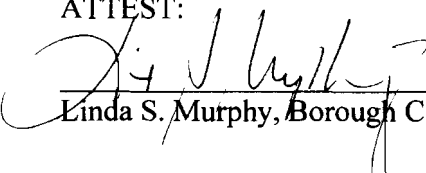
SECTION 2. That this ordinance shall take effect 30 days after the date of its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 24TH DAY OF OCTOBER, 2000.



Timothy Navarre, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

