

Introduced by: Superman
Date: 04/03/07
Hearings: 05/01/07 & 05/15/07
Action: Amended & Postponed until 05/15/17
Action: Enacted as Amended
Vote: 8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2007-12**

**AN ORDINANCE AMENDING KPB 5.12.105 TO LIMIT THE SENIOR CITIZENS
PROPERTY TAX EXEMPTION TO \$300,000 IN PROPERTY VALUE, PROVIDING
FOR AN EXEMPTION FROM TAXES IN HARDSHIP CASES, SUBJECT TO
APPROVAL OF THE VOTERS**

WHEREAS, in the regular election of October 7, 1986, the Kenai Peninsula Borough voters authorized the borough to provide an unlimited exemption from taxation for real property owned and occupied as a permanent place of abode by a resident who is 65 years of age or older, a disabled veteran, or is a surviving spouse of one of the above and is at least 60 years of age;

WHEREAS, within the last 12 years the assembly has considered and rejected numerous ordinances proposing to limit the senior citizen/disabled veteran tax exemption to various amounts; and

WHEREAS, to limit the financial hardship on affected taxpayers, it is in the borough's best interests to provide a hardship exemption whereby taxes exceeding 2 percent of one's gross household income may be forgiven with approval of the borough; and

WHEREAS, as the voters originally approved this unlimited tax exemption it is desirable to obtain voter approval to reduce this unlimited tax exemption; and

WHEREAS, disabled veterans were injured while serving the United States in the military and have been rated as being 50 percent or more disabled; and

WHEREAS, disabled veterans are widely recognized as deserving of benefits for their service to their country and are frequently less able than the general population to earn the funds necessary to both pay property taxes and their other living expenses, and, accordingly, it is appropriate to continue the unlimited property tax exemption for disabled veterans as was approved by the voters in 1986;

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

SECTION 1. That KPB 5.12.105(A), as amended by KPB Ordinance 2006-21 which is effective January 1, 2008, is hereby further amended as follows:

5.12.105. Real property tax—Exemptions—Senior citizens, disabled veterans and surviving spouses thereof.

A. A single parcel of real property owned and occupied as the primary residence and permanent place of abode [BY A (1) RESIDENT 65 YEARS OF AGE OR OLDER; (2) DISABLED VETERAN; OR A RESIDENT AT LEAST 60 YEARS OLD WHO IS THE WIDOW OR WIDOWER OF A PERSON WHO QUALIFIED FOR THIS EXEMPTION UNDER (1) OR (2) OF THIS SUBSECTION,] is exempt from taxation as set forth in subsections 1 and 2 of this section. [THE MAXIMUM AMOUNT OF THE EXEMPTION IS UNLIMITED.] The limitation to a single parcel shall apply unless the applicant has applied for and received a determination that any additional parcel proposed for exemption qualifies as a subsidiary parcel eligible for inclusion as part of the primary residence and permanent place of abode under state law. In no event shall an exemption be allowed for a total value in excess of \$300,000 for all parcels included under the exemption, unless a hardship is granted as described in KPB 5.12.105(I).

1. Qualifying property of a resident 65 years of age or older, or a resident at least 60 years old who is the widow or widower of such person, is exempt from taxation in the maximum amount of \$300,000;
2. A disabled veteran, or a resident at least 60 years old who is the widow or widower of such person; is exempt from taxation in an unlimited amount.

SECTION 2. That KPB 5.12.105 (I) is hereby enacted to read as follows:

I. Hardship Exemption.

1. To qualify for a hardship exemption beyond the first \$300,000 of assessed value of real property under AS 29.45.030(e), the applicant must apply by completing State Form 21-400c and submitting the form, including necessary attachments, to the borough assessor before May 15 of the exemption year.

2. An eligible applicant may qualify for a hardship exemption beyond the first \$300,000 of assessed value of real property if the amount of the applicant's tax bill is greater than 2 percent of the applicant's gross household income. An exemption will be granted only for that portion of the applicant's taxes in excess of 2 percent of the gross household income. "Gross household income" means total annual compensation, earned and unearned, from all sources, of all members of the household.

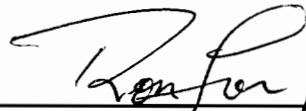
SECTION 3. That the following proposition shall be placed on the ballot for the regular election to be held October 2, 2007:

PROPOSITION No. _____

Shall the Kenai Peninsula Borough limit to \$300,000 the exemption from taxation on the assessed value of real property owned and occupied as a permanent place of abode by a resident who is 65 years of age or older or a widow or widower of such a resident who is 60 years of age or older?

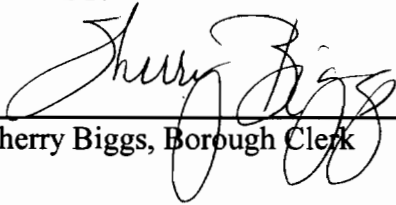
SECTION 4. That section 3 of this ordinance shall take effect immediately upon its enactment. Sections 1 and 2 of this ordinance shall only take effect upon certification of the regular election to be held October 2, 2007, and if the proposition in section 3 of this ordinance is approved by a majority of the voters voting on the proposition.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 15TH DAY OF MAY 2007.

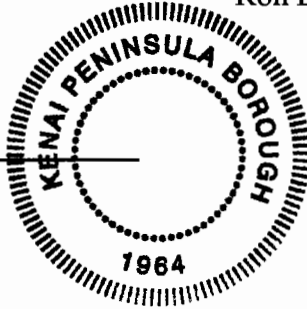


Ron Long, Assembly President

ATTEST:



Sherry Biggs, Borough Clerk



Yes: Fischer, Germano, Gilman, Knopp, Martin, Merkes, Sprague, Superman
No: Long
Absent: None