

Introduced by: Smalley
Date: 07/03/12
Hearing: 08/07/12
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2012-27**

**AN ORDINANCE ENACTING KPB 5.12.101 TO CLASSIFY AND EXEMPT FROM
REAL PROPERTY TAXATION RESIDENTIAL RENEWABLE ENERGY SYSTEMS
USED TO DEVELOP MEANS OF ENERGY PRODUCTION USING ENERGY
SOURCES OTHER THAN FOSSIL OR NUCLEAR FUELS**

WHEREAS, on June 16, 2010, Alaska Senate Bill 220 was enacted and provided in part for an optional municipal real property tax exemption for residential renewable energy systems; and

WHEREAS, AS 29.45.050(b)(1)(E) now provides that a municipality may by ordinance classify and exempt from taxation a residential renewable energy system that is used to develop means of energy production using energy sources other than fossil or nuclear fuel, including windmills and water and solar energy devices located in a municipality; and

WHEREAS, exempting residential renewable energy systems from real property taxation may encourage the use and development of such systems which may reduce consumption of fossil fuels and also reduce the emission of carbon dioxide and pollutants;

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

SECTION 1. That KPB 5.12.101 is hereby enacted as follows:

5.12.101. Real property tax—Exemptions—Residential renewable energy systems.

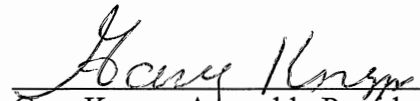
- A. Residential renewable energy systems that are used to develop means of energy production using energy sources other than fossil or nuclear fuel, including, but not limited to windmills and water and solar energy devices located in the borough are exempt from taxation under this chapter.
- B. No exemption under this section may be granted except upon written application on a form prescribed by the assessor. The applicant/owner must file the application no later than January 15 of the tax year for which the exemption is sought.

- C. The assessor may require such information as is reasonably necessary to determine the type and/or nature of the renewable energy system, and the improvements or components that make up that system. The exemption in this section will not be approved unless the required information is provided to the assessor.

- D. Definitions.
 - 1. For purposes of this section “renewable energy” means energy which comes from natural resources such as sunlight, wind, rain, tides, geothermal heat, or other natural movements and mechanisms of the environment, or other sources that are renewable and naturally replenished in a short amount of time. Renewable energy does not include energy derived from fossil fuels.
 - 2. For purposes of this section “renewable energy system” means any residential real property improvement that produces renewable energy on site to provide all or a portion of the electricity, heating, cooling or other energy needs of the property.
 - 3. For purposes of this section “fossil fuel” means a carbon or hydrocarbon source such as coal, petroleum, or natural gas, derived from living matter of a previous geologic time and used for fuel.
 - 4. Notwithstanding any other provision of this section, “renewable energy” and “renewable energy systems” specifically do not include any heating or other energy producing system utilizing wood as a fuel source.

SECTION 2. That this ordinance takes effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF AUGUST, 2012.

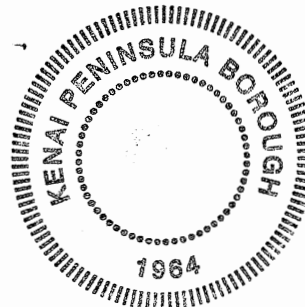


Gary Knopp, Assembly President

ATTEST:



Johni Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None