

Proposed by:	Assemblymember Burnham
Attorney Review:	05/30/2023
First Reading:	06/01/2023
Second Reading:	06/15/2023
Vote: __ Aye	__ Nay __ Absent

MUNICIPALITY OF SKAGWAY, ALASKA ORDINANCE NO. 23-12

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AMENDING TITLE 4 TO EXPAND THE PROPERTY TAX EXEMPTIONS FOR SENIORS, DISABLED VETERANS, AND WIDOWS OR WIDOWERS, AND DIRECTING THE BOROUGH CLERK TO PLACE A PROPOSITION ON THE REGULAR ELECTION BALLOT FOR RATIFICATION.

WHEREAS, Alaska State Statute Section 29.45.030 (e) through (i) indicates that *the real property owned and occupied as the primary residence and permanent place of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran; or (3) at least 60 years of age and the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection is exempt from taxation on the first \$150,000 of the assessed value of the real property;* and

WHEREAS, the Borough Assembly would like to include in the option for exemption “disabled veterans” and “widows or widowers of persons who qualified for an exemption” in addition to seniors; and

WHEREAS, the terms “disabled veterans” and widows or widowers” are terms used and defined in Alaska Statutes 25.45.030 and .050;

WHEREAS, the Borough Assembly would like to increase the current Skagway Municipal Code exemption for seniors and disabled veterans from \$250,000 to \$350,000;

WHEREAS, pursuant to State requirements, the Borough Assembly must place a question before the voters to ratify this ordinance to add “disabled veterans” and “widows or widowers of persons who qualified for an exemption” to the senior citizen property tax exemption and increase the property tax exemption level to \$350,000.00 for primary residences within the Municipality of Skagway Borough; and

NOW THEREFORE BE IT ORDAINED AND ENACTED BY THE MUNICIPALITY OF SKAGWAY, ALASKA AS FOLLOWS:

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Skagway Municipal Code upon ratification by the voters.

Section 2. Purpose. To amend Title 4, Real Property Taxation to allow further property tax exemptions for seniors, disabled veterans, and their widows or widowers.

Section 3. Proposition. The Borough Assembly directs the Borough Clerk to place the following question before the voters at the regular municipal election scheduled on October 3, 2023 as Proposition #1:

“Shall the Municipality of Skagway increase the property tax exemption level from \$250,000 to \$350,000.00 for primary residences within the Municipality of Skagway Borough for residents who are “65 years of age or older,” “disabled veterans,” or “widows or widowers of persons who qualified for an exemption”?

Yes No”

Section 4. Amendment. The Skagway Municipal Code is hereby amended (~~strike through~~) indicates text to be deleted from and (**bold underscore**) indicates text added to the current code. Skagway Municipal Code Section 4 is hereby amended as follows:

4.10.030 Exemption for certain improvements to real property.

The Municipality will furnish the necessary forms and information necessary to claim exemptions under this section. Applications for the exemptions listed shall be accepted through January 15 of the assessment year.

A. Exemption for certain individuals Property Tax.

1. The following individuals are exempt from taxation on the first \$150,000 of the assessed value of the real property as required by Alaska Statute 29.45.030 and an additional \$200,000 of the assessed value of the real property (totaling \$350,000):

i. The real property owned and occupied as the primary residence and permanent place of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran; or (3) at least 60 years of age and the widow or widower of a person who qualified for an exemption under (1) or (2).

~~A. Exemption for Senior Citizen Property Tax. The senior citizen property tax exemption limit for primary residences shall be \$250,000.00.~~

B. Exemption for fire protection system. Two percent of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 18.70.081, in operating condition, and incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system.

1. For purposes of this section "Operating Condition" shall mean a fully functioning system which provides complete coverage throughout the structure, designed, installed, and maintained for the full 12 months of the calendar year. The fire protection system and associated fire alarm and/or detection system must be tested and inspected annually by a certified technician per requirements of IFC 901.6.1 and IFC 907.20.5.

2. The Fire Department shall perform two inspections per calendar year to determine that a property owner is maintaining the fire protection system in operating condition and eligible for this exemption. The inspections shall be completed in the spring and fall of each year; the spring inspection shall include a full life and fire safety inspection. A property owner representative must be present for each inspection.

C. Exemption for certain low-income housing. An interest, other than record ownership, in real property of an individual residing in the property is exempt if the property has been developed, improved or acquired with federal funds for low-income housing and is owned or managed as low-income housing by the Alaska Housing Finance Corporation under AS 18.55.100 – 18.55.960 or a regional housing authority formed under AS 18.55.996. This subsection does not prohibit the Municipality of Skagway from receiving payments in lieu of taxes authorized under federal law.

Section 4. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 5. Effective Date. Section 3, Proposition shall become effective immediately upon adoption by the Skagway Borough Assembly; Section 4, Amendment shall become effective on January 1, 2024 upon

MUNICIPALITY OF SKAGWAY, ALASKA

ORDINANCE NO. 23-12

Page 3 of 3

ratification by the voters of the Municipality of Skagway at the regular municipal election held October 3, 2023.

PASSED AND APPROVED by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this __ day of _____, 2023.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)