

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 1-12-10

Submitted by: ASSEMBLY MEMBER GRAY-JACKSON
ASSEMBLY MEMBER GUITERREZ
Prepared by: Assembly Counsel and
Dept. of Law
For reading: January 12, 2010

ANCHORAGE, ALASKA
AO No. 2009-133(S-1)

1 **AN ORDINANCE REPEALING ANCHORAGE MUNICIPAL CODE SECTION**
2 **12.15.012, AND REPEALING AND REENACTING SECTION 12.15.015 TO CODIFY**
3 **STATE LAW EXEMPTIONS, PROVIDE FILING DEADLINES, AND OUTLINE THE**
4 **ADMINISTRATIVE AND JUDICIAL APPEAL PROCESS.**
5

6
7 **THE ANCHORAGE ASSEMBLY ORDAINS:**

8
9 **Section 1.** Anchorage Municipal Code section 12.15.012 is repealed in its entirety.
10 A copy of the repealed section is attached hereto as **Exhibit A.**

11
12 **Section 2.** Anchorage Municipal Code section 12.15.015 is repealed in its entirety
13 and re-enacted as set out below. A copy of the repealed section is attached hereto
14 as **Exhibit B.**

15
16 **12.15.015 Real property exemptions.**

17
18 **A. Applications for exemptions.** The municipal assessor or designee
19 shall grant or deny applications for exemptions.

20
21 **B. Definitions.**

22
23 For purposes of this section 12.15.015 only, the following words are defined
24 as:

25
26 *Real property* shall include a mobile home, regardless of the classification of a
27 mobile home as personal or real property elsewhere in this Code.

28
29 *Primary residence* and *permanent place of abode* shall mean a dwelling in
30 which the person resides at least 185 days in the year prior to the exemption
31 year and when absent, the dwelling is not leased or rented to another.

32
33 *Resident* shall mean a person who has a fixed habitation in the State of
34 Alaska for at least 185 days per calendar year, and when absent, intends to
35 return to the State of Alaska.

36
37 **C. Strict enforcement of deadlines to file an exemption application**
38 **and annual certification.**

- 39
40 1. **Properties qualifying for an exemption under this section**
41 **must be owned and in use on January 1 of the applicable**
42 **tax year. There shall be no proration of taxes under this**
43 **section.**

1
2 2 [1]. A[N] **written** application for **real property** exemption under this
3 section, including required documentation, must be received by
4 the assessor no later than March 15 of the tax year in which the
5 exemption is requested.

6
7 [AN ANNUAL CERTIFICATION OF EXEMPTION UNDER THIS SECTION,
8 INCLUDING REQUIRED DOCUMENTATION, MUST BE RECEIVED BY THE
9 ASSESSOR NO LATER THAN MARCH 15 OF THE TAX YEAR IN WHICH THE
10 EXEMPTION IS REQUESTED.]

11
12 3. If an exemption has been approved, and there is no change in
13 ownership or use, the owner of record may qualify annually for
14 the exemption in successive tax years by providing annual
15 certification to the assessor that the exempt use of the property
16 remains consistent with the use described in the approved
17 application.

18
19 4. Annual certification shall be in the form prescribed by the
20 assessor, and received by the assessor by no later than March
21 15 of the current tax year, or the exemption expires and a new
22 application is required.

23
24 a. For a disabled veteran exemption, see section
25 12.15.015 D.2., below.

26
27 b. Annual certification is not required for residential real
28 property exemption if there is no change in
29 ownership, residency or permanent place of abode.

30
31 5 [6]. The deadline for filing an application for exemption, filing an
32 annual certification, requesting an administrative review from the
33 assessor, and filing an appeal to court, shall be strictly enforced
34 and shall not be waived.

35
36 [~~If the annual certification is not received by the assessor by~~
37 ~~March 15 of the assessment year, the assessor may remove the~~
38 ~~exemption].~~

39
40 6 [7]. If the assessor determines a property is not eligible for an
41 exemption, all taxes, penalty, and interest due for all tax
42 years beginning the year the property should have been
43 subject to taxation shall be due and owing.

44
45 7 [8] No exemption shall be available under this section if the
46 real property has been conveyed to the person or
47 organization seeking the exemption for the primary purpose
48 of obtaining the exemption.

1
2 **D. State [Mandatory] exemptions [under state law].**
3

4 1. **Senior exemption.** The first \$150,000.00 of assessed value of
5 real property is exempt from taxation if it has been owned and
6 occupied as the primary residence and permanent place of
7 abode **of an eligible applicant** prior to January 1 of the
8 exemption year. To qualify for exemption:
9

10 a. Upon initial application, the applicant [owner] must have
11 been a resident of the State of Alaska for the entire year
12 prior to the exemption year; and [-]
13

14 b. [Additionally, -] In each subsequent year the property
15 must be owned and occupied as the primary residence
16 and permanent place of abode for at least 185 days prior
17 to January 1 of the exemption year. The [e-qualify for
18 this exemption, the] applicant must be:
19

20 i. A resident who has reached the age of 65 prior to
21 January 1 of the year for which the exemption
22 applies; or
23

24 ii. A resident who has reached the age of 60 prior to
25 January 1 of the year for which the exemption
26 applies and is also a widow or widower of a
27 person who qualified to receive a senior tax
28 exemption under this subsection in a previous
29 assessment year.
30

31 c. Only one exemption under section D. may be granted for
32 any residence in any assessment year.
33

34 i. If two or more persons are eligible for an
35 exemption for the same residence, it is the
36 responsibility of the parties to determine who is to
37 receive the benefit of the exemption.
38

39 d. If the property is occupied by a person other than the
40 eligible applicant and the applicant's [if] spouse and
41 minor children, this exemption applies only to the portion
42 of the property occupied by the eligible applicant and the
43 applicant's [if] spouse and minor children as primary
44 residence and permanent place of abode.
45

46 e. A qualified senior citizen need not file [such] an
47 application for successive tax years if there is no change
48 in ownership, in residency or permanent place of abode,
49 or other factor affecting qualification for the exemption.

1
2 i. The assessor may require written proof under this
3 section at any time.

4
5 ii. It shall be the responsibility of every person who
6 obtains an exemption under this section to notify
7 the assessor of any change in ownership, property
8 use, residency, permanent place of abode or
9 other factor affecting qualification for the
10 exemption.

11
12 [iii. IF THE ASSESSOR DETERMINES THE PROPERTY IS NOT
13 ELIGIBLE FOR EXEMPTION, ALL TAXES, PENALTY, AND
14 INTEREST DUE FOR ALL TAX YEARS BEGINNING THE
15 YEAR THE PROPERTY SHOULD HAVE BEEN SUBJECT TO
16 TAXATION SHALL BE DUE AND OWING.]

17
18 f. ~~[Notwithstanding the above, f]~~ The assessor may waive,
19 up to and including May 15 of the current tax year, the
20 claimant's failure to make timely application for
21 exemption under this subsection for that year and accept
22 the application as timely filed where a serious medical
23 condition of the applicant, or a member of the applicant's
24 immediate family, causes the applicant to miss the
25 deadline.

26
27 i. For the purposes of waiver of claimant's failure to
28 make timely application under this subsection, the
29 Chief Financial Officer is authorized to grant a
30 waiver after denial by the assessor.

31
32 [G. NO EXEMPTION SHALL BE AVAILABLE UNDER THIS
33 SUBSECTION IF THE REAL PROPERTY HAS BEEN CONVEYED TO
34 THE PERSON SEEKING THE EXEMPTION FOR THE PRIMARY
35 PURPOSE OF OBTAINING THE EXEMPTION.]

36
37 2. **Disabled veteran exemption.** The first \$150,000.00 of
38 assessed value of real property is exempt from taxation if it has
39 been owned and occupied as the primary residence and
40 permanent place of abode **of an eligible applicant** prior to
41 January 1 of the exemption year. **To qualify for [this]**
42 **exemption [, an applicant shall]:**

43
44 a. Upon initial application the *applicant* ~~[owner]~~ must have
45 been a resident of the State of Alaska for the entire year
46 prior to the exemption year; *and* [.]

47
48 **b [i].** ~~[Additionally, i]~~ In each subsequent year the property
49 must be owned and occupied as the primary residence

1 and permanent place of abode for at least 185 days prior
2 to January 1 of the exemption year; and [TO QUALIFY
3 FOR THIS EXEMPTION THE APPLICANT MUST BE:]

4
5 c ~~[b]~~[i]. [A PERSON, WHO IS A RESIDENT OF THE STATE, AND WHO]
6 P[P]rior to January 1 of the exemption year:

7
8 i. [(1)] Separated from the military service of the United
9 States under conditions which are not
10 dishonorable and whose disability was incurred or
11 aggravated in the line of duty in military service of
12 the United States, and whose disability is rated as
13 50 percent or more by the branch of service in
14 which that person served or by the U.S.
15 Department of Veterans Affairs; or

16
17 ii. [(2)] Served in the Alaska Territorial Guard, whose
18 disability was incurred or aggravated in the line of
19 duty while serving in the Alaska Territorial Guard,
20 and whose disability is rated as 50 percent or
21 more.

22
23 d ~~[e]~~. **A widow or widower of a person qualified for a**
24 **disabled veteran tax exemption [under this subsection]**
25 **in a previous assessment year shall be deemed eligible**
26 **to apply if the widow or widower [~~;~~ ~~and who~~] is a** [A]
27 resident who has reached the age of 60 prior to January
28 1 of the year for which the exemption applies [AND IS ALSO
29 A WIDOW OR WIDOWER OF A PERSON WHO QUALIFIED TO
30 RECEIVE A DISABLED VETERAN TAX EXEMPTION UNDER THIS
31 SUBSECTION IN A PREVIOUS ASSESSMENT YEAR].

32
33 e ~~[d]~~. Only one exemption under section D. may be granted for
34 any residence in any assessment year.

35
36 i. If two or more persons are eligible for an
37 exemption for the same residence, it is the
38 responsibility of the parties to determine who is to
39 receive the benefit of the exemption.

40
41 f ~~[e]~~. If the property is occupied by a person other than the
42 eligible applicant and their spouse and minor children,
43 this exemption applies only to the portion of the property
44 occupied by the eligible applicant and their spouse and
45 minor children as primary residence and permanent
46 place of abode.

47
48 g ~~[f]~~. After a [qualified] disabled veteran exemption is granted,
49 [need not file such] an application for successive tax

1 years is not required if there is no change in ownership,
2 in residency or permanent place of abode, status of
3 disability, or other factor affecting qualification for the
4 exemption.

5
6 i. A disabled veteran who has less than a
7 permanent disability shall submit an official
8 disability percentage letter each year prior to
9 March 15.

10
11 ii. The assessor may require written proof under this
12 section at any time.

13
14 iii. It shall be the responsibility of every person who
15 obtains an exemption under this section to notify
16 the assessor of any change in ownership, property
17 use, residency, permanent place of abode, status
18 of disability or other factor affecting qualification
19 for the exemption.

20
21 [IV. IF THE ASSESSOR DETERMINES THE PROPERTY IS NOT
22 ELIGIBLE FOR EXEMPTION UNDER THIS SUBSECTION,
23 ALL TAXES, PENALTY, AND INTEREST DUE FOR ALL TAX
24 YEARS BEGINNING THE YEAR THE PROPERTY SHOULD
25 HAVE BEEN SUBJECT TO TAXATION SHALL BE DUE AND
26 OWING.]

27
28 h [g]. If the final disability rating required for exemption under
29 this subsection is not determined until after the period of
30 timely filing for exemption has expired, the assessor may
31 waive the claimant's failure to make timely application
32 and accept the application as timely filed for a prior
33 calendar year, only if the applicant files the application for
34 exemption with the assessor within 30 days of applicant's
35 receipt of the final disability rating.

36
37 i. For the purposes of waiver of claimant's failure to
38 make timely application under this subsection, the
39 Chief Financial Officer is authorized to grant a
40 waiver after denial by the assessor.

41
42 [NO EXEMPTION SHALL BE AVAILABLE UNDER THIS
43 SUBSECTION IF THE REAL PROPERTY HAS BEEN CONVEYED TO
44 THE PERSON SEEKING THE EXEMPTION FOR THE PRIMARY
45 PURPOSE OF OBTAINING THE EXEMPTION.]

46
47 **3. Nonprofit religious, charitable, cemetery, hospital or**
48 **educational exemption.**
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a. Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes^[1] is exempt from taxation under this chapter for the calendar year in which application is timely filed, if the assessor or designee determines the application demonstrates the property qualifies for exemption under Alaska Statutes.

[i. NO EXEMPTION UNDER THIS SUBSECTION SHALL BE APPROVED, EXCEPT UPON WRITTEN APPLICATION ON A FORM PRESCRIBED BY THE ASSESSOR.]

b [ii]. ~~[To determine the exempt status of property under this subsection, f]~~ The applicant organization shall provide the following information to the assessor or designee to support a determination of exempt status:

i. [(1)] The articles of incorporation.

ii. [(2)] Documentation to support the organization's not-for-profit status (~~[i]~~ e.g., IRS §501(c)(3) determination letter, or equivalent).

iii. [(3)] Description of the use of the property and consistency with the requested exemption.

iv. [(4)] Contracts of any type describing or memorializing use of the property by a person or entity other than the applicant organization.

v. [(5)] Description of any remuneration received by the applicant organization including:

(1) [(a)] Any property, or portion of property, from which rentals or income are derived.

(2) [(b)] Actual operating expenses, excluding debt service or depreciation.

vi. [(6)] Where property is leased by the organization to other entities, financial statements for the past tax year including income and expense reports, and description of any debt service or depreciation included in the financial statements for the property.

vii. [(7)] For property used for an educational purpose, the detail of course curriculum and classroom space.

1
2 **viii.** [(8)] For property used as a religious residence, the
3 detail of the resident's ordination, commission or
4 license (according to the standards of the religious
5 organization), and proof of resident's employment
6 by the religious organization as its minister.
7

8 **c.** [IV]. The municipal assessor or designee may request
9 additional information prior to its determination, as
10 reasonably necessary to determine the exempt status of
11 a property in accordance with municipal code and
12 regulations and state law.
13

14 [iv. UNDER THIS SUBSECTION, THERE SHALL BE NO
15 PRORATION OF TAXES FOR EXEMPTIONS. PROPERTIES
16 QUALIFYING FOR AN EXEMPTION SHALL BE IN USE
17 UNDER THE EXEMPT PURPOSE AS OF JANUARY 1 OF
18 THE YEAR FOR WHICH THE EXEMPTION IS GRANTED.]
19

20 [IF THE APPLICATION FOR EXEMPTION UNDER THIS SUBSECTION
21 IS APPROVED BY THE ASSESSOR, AND THERE IS NO CHANGE IN
22 OWNERSHIP OR USE, THE OWNER OF RECORD MAY QUALIFY
23 ANNUALLY FOR THE EXEMPTION IN SUCCESSIVE TAX YEARS BY
24 PROVIDING CERTIFICATION AS DESCRIBED IN SECTION C
25 ABOVE.]
26

27 **E. Municipal exemptions.**

28
29 1. **Residential real property exemption. Ten percent of the**
30 **assessed value of residential real property, up to a**
31 **maximum of \$20,000.00 of assessed value, shall be exempt**
32 **from property taxation if:**
33

34 a [I]. Upon initial application, the **eligible applicant** [OWNER]
35 must have been a resident of the State of Alaska for the
36 entire year prior to the exemption year; **and** [.]
37

38 b [A]. [TEN PERCENT OF THE ASSESSED VALUE OF RESIDENTIAL REAL
39 PROPERTY, UP TO A MAXIMUM OF \$20,000.00 OF ASSESSED
40 VALUE, SHALL BE EXEMPT FROM PROPERTY TAXATION IF]
41 **T**[**t**]he property has been owned and occupied as the
42 [OWNER'S] primary residence and permanent place of
43 abode **of an eligible applicant** for at least 185 days in
44 the year prior to January 1 of the exemption year.
45

46 c [II]. In each subsequent year, the property shall be owned
47 and occupied as the primary residence and permanent
48 place of abode of the **eligible applicant** [OWNER] for at

1 least 185 days in the year prior to January 1 of the
2 exemption year.

3
4 [NO EXEMPTION UNDER THIS SUBSECTION SHALL BE GRANTED,
5 EXCEPT UPON WRITTEN APPLICATION ON A FORM PRESCRIBED
6 BY THE ASSESSOR.]

7
8 d [III]. The [IS] **residential real property** exemption **may be**
9 **combined, in whole or in part, with an exemption**
10 **provided in subsection 12.15.015 D. above** [SHALL ALSO
11 APPLY TO PROPERTY PARTIALLY EXEMPT UNDER THIS
12 SECTION].

13
14 e [B]. **An** [EACH] owner-occupied *unit in a* [,] multi-family
15 housing structure is eligible for the exemption as long as
16 the structure is used as the **eligible applicant's**
17 [OWNER'S] primary residence and permanent place of
18 abode for at least 185 days in the year prior to January 1
19 of the exemption year.

20
21 [NOTWITHSTANDING SECTION C. ABOVE, THE OWNER OF
22 RECORD IS NOT REQUIRED TO FILE AN UPDATED APPLICATION
23 FOR SUCCESSIVE TAX YEARS, IF THERE IS NO CHANGE IN
24 OWNERSHIP, RESIDENCY, OR PERMANENT PLACE OF ABODE.]

25
26 f [D]. **Only t**[T]he owner of record shall file the application for
27 an exemption under this section [WITH THE ASSESSOR NO
28 LATER THAN MARCH 15 OF THE ASSESSMENT YEAR FOR WHICH
29 THE EXEMPTION IS SOUGHT].

30
31 g [F]. [FOR THIS EXEMPTION ONLY,] **A**[A]n appeal of a decision by
32 the assessor to deny **a residential real property**
33 **exemption** [AN EXEMPTION UNDER THIS SUBSECTION] **is not**
34 **subject to administrative review. An appeal from**
35 **denial of a residential real property exemption** [~~and~~]
36 shall [ONLY] be filed with the Superior Court, Third
37 Judicial District, Alaska.

38
39 i. Only the owner of record may appeal an
40 exemption denial under this subsection; and

41
42 ii. An appeal must be filed within 30 days of receipt
43 of written notice from the assessor of such denial.

44
45 **h** [G]. The deadline for filing an application for the residential
46 real property exemption shall be strictly enforced and
47 cannot be waived.
48

2. **Community purpose exemption. In order to qualify for a community purpose exemption:**

a. [IF THE ASSESSOR OR DESIGNEE DETERMINES A TIMELY APPLICATION DEMONSTRATES QUALIFICATION FOR EXEMPTION UNDER THIS SUBSECTION, PROPERTY OF] **A**[a]n applicant [organization] shall be [NOT] duly organized for [BUSINESS OR] not for profit [~~making purposes~~]; and

b. **The organization's property is** used exclusively for community purposes; **and**

c. **Any** [IS EXEMPT FROM TAXATION ONLY IF THE] income derived from rental of property **shall** [DOES] not exceed the actual cost to the owner of the use by the renter.

d [B]. Community purpose property is:

i. Property dedicated to [permanent] use by the general public and provides a benefit to the community as a whole; or

ii. Vacant land [~~dedicated to permanent use by the general public, obtained and~~] owned by a single nonprofit organization exclusively for uses which qualify for exemption under AS 29.45.030 [may qualify for an exemption for the calendar year in which an application is timely filed, if the assessor, or designee, determines the application demonstrates the property qualifies for exemption].

(1) Vacant land qualifies for an exemption only if it is placed in use within two years from January 1 of the first tax year for which an application is filed.

(a[2]) Any vacant land which initially qualifies for an exemption under this section, but which is not placed in use within two years from January 1 of the first tax year, for which an application is filed, shall be subject to taxation in each tax year, retroactive to the first tax year for which the exemption was granted.

(2[3]) No single organization shall receive more

1 than four (4) exempt parcels, and the
2 exemption for any one (1) parcel shall not
3 exceed the average assessed value of a
4 single, similarly zoned property, as
5 determined by the assessor on an annual
6 basis.

7
8 ~~(4 [3]) [In determining the aggregate value of~~
9 ~~vacant land per taxpayer under this~~
10 ~~exemption.] T[he assessed value of all~~
11 ~~vacant land for which the taxpayer claims~~
12 ~~this exemption shall be aggregated with the~~
13 ~~assessed value of all other vacant land for~~
14 ~~which another claims this exemption and in~~
15 ~~which the taxpayer has any ownership or~~
16 ~~effective controlling interest of any kind,~~
17 ~~either direct or indirect, and regardless of~~
18 ~~whether such interest is legal, equitable,~~
19 ~~prospective, anticipatory, future, contingent~~
20 ~~or not in writing.~~

21
22 [THERE SHALL BE NO PRORATION OF TAXES UNDER THIS
23 SECTION. PROPERTIES QUALIFYING FOR AN EXEMPTION UNDER
24 THIS SECTION MUST BE IN USE AS OF JANUARY 1 OF THE
25 APPLICABLE TAX YEAR.]

26
27 e [c]. Actual costs are costs necessary for operating expenses,
28 excluding only debt service or depreciation.

29
30 f [E]. To determine the exempt status of property under this
31 subsection, the applicant organization shall provide the
32 following information to the assessor or designee:

- 33
34 i. The articles of incorporation.
35
36 ii. Documentation to support the organization's not-
37 for-profit status (i.e., IRS §501(c)(3) determination
38 letter, or equivalent).
39
40 iii. Description of the use of the property and
41 consistency with the requested exemption.
42
43 iv. Contracts of any type describing or memorializing
44 use of the property by a person or entity other
45 than the applicant organization.
46
47 v. Description of any remuneration received by the
48 applicant organization including:
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(1) Any property, or portion of property, from which rentals or income are derived.

(2) Actual operating expenses, excluding only debt service or depreciation.

vi. Financial statements for the past tax year including income and expense reports, and description of any debt service or depreciation included in the financial statements for the property.

viii. Under this subsection, there shall be no proration of taxes for exemptions. Properties qualifying for an exemption shall be in use under the exempt purpose as of January 1 of the year for which the exemption is granted.

ix. The municipal assessor or designee may request additional information prior to its determination, as reasonably necessary to determine the exempt status of a property in accordance with municipal code and regulations and state law.

[IF THE APPLICATION FOR THE COMMUNITY PURPOSE EXEMPTION IS APPROVED BY THE ASSESSOR, AND THERE IS NO CHANGE IN OWNERSHIP AND USAGE REQUIREMENTS ARE MET, THE OWNER OF RECORD MAY QUALIFY ANNUALLY FOR THE EXEMPTION IN SUCCESSIVE TAX YEARS BY PROVIDING ANNUAL CERTIFICATION AS DESCRIBED IN SECTION C. ABOVE.]

3. ~~Historic Sites, Buildings and Monuments. In order to qualify for an historic sites, buildings and monuments exemption:~~

a. ~~The property shall be registered on the National Register of Historic Places; and~~

b. ~~The property shall be restricted by an historic preservation easement that runs with the land, and is binding on the owner and all future owners in perpetuity. The applicant shall provide a copy of the preservation easement as part of the application; and~~

c. ~~Non-private areas of the property shall be open to the public during regular business hours; and~~

d. ~~The applicant organization shall provide the~~

following information to the assessor or designee for an exemption determination:

i. Description of the use of the property and consistency with the requested exemption.

ii. The municipal assessor or designee may request additional information prior to its determination, as reasonably necessary to determine the exempt status of a property in accordance with municipal code and regulations and state law; and

e. An historic sites, buildings and monuments exemption shall be limited to [reflect the limitation on] the potential economic use of the property as described in the historic preservation easement.

[f. Assembly approval is required, prior to final determination of exemption by the assessor.]

F. ADMINISTRATIVE REVIEW OF DENIAL OF EXEMPTION.

1. If an application for exemption under this section 12.15.015 is denied, the assessor or designee shall state the reason for the denial in written notice to the owner of record.
2. A denial by the designee is subject to administrative review by the assessor if written request from the owner of record is received by the assessor no later than 30 days after the denial.
3. Only an owner of record may request administrative review of the denial of an exemption.
4. For purposes of computing time, the date of mailing the written notice shall be deemed the date of the denial and the government postmark date shall be deemed the date of receipt by the assessor of the request for administrative review.

G. JUDICIAL APPEAL OF DENIAL OF EXEMPTION.

1. Only the owner of record may appeal a decision by the assessor to deny an exemption under this section to the Superior Court, Third Judicial District, Alaska.
2. An appeal of the assessor's denial of an application for exemption under this section 12.15.015 must be filed with the Superior Court within 30 days of the assessor's denial.


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3. For purposes of computing time, the date of mailing by the assessor, as shown by the U.S. Postal Service postmark, shall be deemed the date of the assessor's denial.

State law reference: AS 29.45.050(b)(A).

Section 3. This ordinance shall be effective on ~~January 1, 2010~~ immediate upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 12th day of January, 2010.



Chair of the Assembly

ATTEST:



Municipal Clerk

Exhibit A: AMC section 12.15.012

12.15.012 Residential real property exemption.

- A. Ten percent of the assessed value of residential real property, up to a maximum of \$20,000.00 of assessed value, shall be exempt from property taxation if the property has been owned and occupied as the owner's primary residence and permanent place of abode for at least 185 days in the year prior to January 1 of the exemption year. Upon initial application, the owner must have been a resident of the State of Alaska for the entire year prior to the exemption year. Additionally, in each subsequent year, the property shall be owned and occupied as the primary residence and permanent place of abode of the owner for at least 185 days in the year prior to January 1 of the exemption year.
1. As used in this section, the terms "real property," "primary residence and permanent place of abode," and "resident," shall have the same meaning as used in Section 12.15.015 and shall include owner-occupied mobile homes, including mobile homes as defined in Section 12.10.010A.2.
 2. Each owner-occupied, multi-family housing structure is eligible for the exemption as long as the structure is used as the owner's primary residence and permanent place of abode for at least 185 days in the year prior to January 1 of the exemption year.
 3. This exemption shall also apply to property partially exempt under Section 12.15.015.
- B. No exemption under this section shall be granted, except upon written application on a form prescribed by the assessor. The owner of record shall file the application for an exemption under this section with the assessor no later than March 15th of the assessment year for which the exemption is sought. The owner of record shall not be required to file an updated application for successive tax years, if there is no change in ownership, residency, or permanent place of abode.
- C. The owner of record may only appeal a decision by the assessor to deny an exemption under this section to the Superior Court, Third Judicial District, Alaska. An appeal must be filed within 30 days of receiving written notice from the assessor of such denial. The deadline for filing an application for the exemption shall be strictly enforced and cannot be waived.

(AO No. 2004-167, § 2, 12-14-04)

Exhibit B: AMC section 12.15.015

12.15.015 Exemptions.

- A. The first \$150,000.00 of assessed value of real property is exempt from taxation if it has been owned and occupied as the primary residence and permanent place of abode prior to January 1 of the exemption year. Upon initial application the owner must have been a resident of the State of Alaska for the entire year prior to the exemption year. Additionally, in each subsequent year the property must be owned and occupied as the primary residence and permanent place of abode for at least 185 days prior to January 1 of the exemption year. The assessor, for good cause shown, may waive the occupancy requirement during calendar year due to extreme personal hardship.

To qualify for this exemption the applicant must be:

1. A resident who has reached the age of 65 prior to January 1 of the year for which the exemption applies; or
 2. A person, who is a resident of the state, and who prior to January 1 of the exemption year:
 - a. Separated from the military service of the United States under conditions which are not dishonorable and whose disability was incurred or aggravated in the line of duty in military service of the United States, and whose disability is rated as 50 percent or more by the branch of service in which that person served or by the U.S. Department of Veterans Affairs; or
 - b. Who served in the Alaska Territorial Guard, whose disability was incurred or aggravated in the line of duty while serving in the Alaska Territorial Guard, and whose disability is rated as 50 percent or more; or
 3. A resident who has reached the age of 60 prior to January 1 of the year for which the exemption applies and is also a widow or widower of a person who qualified to receive a tax exemption under subsection A.1 or A.2 of this section in a previous assessment year.
- B. Only one exemption may be granted under this section for any single piece of real property in any assessment year.
- C. If the property is occupied by a person other than the eligible applicant and their spouse and minor children, this exemption applies only to the portion of the property occupied by the eligible applicant and their spouse and minor children as primary residence and permanent place of abode.

Exhibit B: AMC section 12.15.015

- D. Written application for exemption under this section on a form prescribed by the assessor shall be filed no later than January 15 of the assessment year to which the exemption shall apply. A qualified senior citizen or disabled veteran need not file such an application for successive tax years if there is no change in ownership, in residency or permanent place of abode, status of disability, or other factor affecting qualification for the exemption. A disabled veteran who has less than a permanent disability must submit an official disability percentage letter each year prior to January 15. The assessor may require proof under this section at any time. It shall be the responsibility of every person who obtains an exemption under this section to notify the assessor of any change in ownership, property use, residency, permanent place of abode, status of disability or other factor affecting qualification for the exemption. If the assessor determines that the property is not eligible for this exemption, all taxes, penalty, and interest due for all tax years beginning the year the property should have been subject to taxation shall be due and owing. The governing body, for good cause shown, may waive during a calendar year the claimant's failure to make timely application for exemption for that year and authorize the assessor to accept the application as timely filed. If the final disability rating required for exemption under subSection 12.15.015A.2 is not determined until after the period of timely filing for exemption has expired, the governing body may waive the claimant's failure to make timely application and authorize the assessor to accept the application as timely filed for a prior calendar year, only if the applicant files the application for exemption with the assessor within 30 days of applicant's receipt of the final disability rating. For the purposes of this subsection the mayor is authorized to act on behalf of the governing body. If the mayor denies an application for waiver under this section the applicant may, within 15 days of receiving notice of rejection, appeal to the assembly by delivering a copy of the request for exemption submitted to the mayor, the mayor's rejection notice, and a request for review by the assembly to the municipal clerk. On appeal the assembly may, based upon an independent evaluation of the circumstances presented to the mayor, find good cause and grant the application for waiver.
- E. No exemption shall be available under this section if the real property has been conveyed to the person seeking the exemption for the primary purpose of obtaining the exemption. A person may appeal a decision by the assessor to deny an exemption under this section to the Superior Court, Third Judicial District.
- F. As used in this section, the term "real property" includes a mobile home, regardless of the classification of a mobile home as personal or real property elsewhere in this Code.

Exhibit B: AMC section 12.15.015

- G. As used in this section, the term "primary residence and permanent place of abode" means a dwelling in which the person resides at least 185 days in the year prior to the exemption year and when absent, the dwelling is not leased or rented to another.
- H. As used in this section, the term "resident" means a person who has a fixed habitation in the State of Alaska for at least 185 days per calendar year, and when absent, intends to return to the State of Alaska.
- I. Community purpose property. Property of an organization not organized for business or profit-making purposes and used exclusively for community purposes is exempt from taxation under this chapter. Property or a part of the property from which rentals or income are derived, is exempt from taxation if the income derived does not exceed the actual cost to the owner of the use by the renter or user. The municipal assessor shall grant or deny applications for exemption and may require such information as is reasonably necessary to determine the exempt status of a property in accordance with the guidelines under this subsection F.
 - 1. Community purpose property is:
 - a. Property which is dedicated to permanent use by the general public and provides a benefit to the community as a whole.
 - b. Vacant land, not exceeding an aggregate of \$100,000.00 in assessed valuation per taxpayer, obtained and owned by a nonprofit organization that is to be used exclusively for purposes which qualify for exemption under AS 29.45.030.
 - i. Vacant land qualifies for an exemption only if it is placed in use within two years from January 1 of the appropriate tax year.
 - ii. Any property which initially qualifies for an exemption under this subsection, but which is not placed in use in accordance with subsection F.1.b.1 of this subsection F, shall be subject to taxation in the tax year for which the exemption was granted.
 - iii. In determining the aggregate value of vacant land per taxpayer allowed an exemption under this subsection F., the assessed value of all vacant land for which the taxpayer claims this exemption shall be aggregated with the assessed value of all other vacant land for which another claims this exemption and in which the taxpayer has any ownership or effective controlling

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interest of any kind, either direct or indirect, and regardless of whether such interest is legal, equitable, prospective, anticipatory, future, contingent or not in writing.

- iv. The exemption for any one parcel may not exceed \$25,000.00.
2. There shall be no proration of taxes under this section. Properties qualifying for an exemption under this section must be in use as of January 1 of the applicable tax year.
3. Actual costs are those costs necessary for operating expenses, but does not include debt service or depreciation.
4. Applications for exemption under this section must be received by the assessor no later than March 15 of the tax year for which the exemption is requested.
5. Final authority for determining the exempt status of property under this section rests with the municipal assessor. Notwithstanding a decision under appeal through the superior court as provided below, the decision of the assessor is final.
6. A person may appeal a decision by the assessor to deny an exemption under this section to the Superior Court, Third Judicial District, Alaska.

(AO No. 86-211(S-1); AO No. 88-158; AO No. 92-56; AO No. 94-228(S-2), § 1, 2-7-95; AO No. 95-199, § 1, 1-1-96; AO No. 97-146, § 1, 1-1-98; AO No. 2003-149, § 1, 11-4-03; AO No. 2008-18, § 1, 2-12-08)

State law references: Similar provisions, AS 29.45.030.

Editor's note: Section 2 of AO No. 2008-18 states that this ordinance shall apply retroactively to applications filed with the assessor on and after Jan. 1, 2008.