

Presented by: The Manager
Introduced: 10/25/2010
Drafted by: J.W. Hartle

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2010-33(d)am

An Ordinance Amending the Real and Personal Property Tax Code Relating to Exempt Property and Providing the Surviving Spousal Exemption to Surviving Same-Sex Domestic Partners, and Providing for the Establishment of Baseline Criteria for the Application of the Hardship Exemption Authorized by State Law.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough Code.

Section 2. Amendment of Section. CBJ 69.10.005 Definitions, is amended by incorporating the following definitions in alphabetical order to read:

69.10.005 Definitions.

The following words, terms and phrases, when used in this chapter or in an applicable state statute, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning or they are, for the purpose of property taxation, defined differently in applicable law:

Disabled veteran means a disabled person (1) separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Veteran's Administration; or (2) who served in the Alaska Territorial Guard, who is a resident of the state, whose disability was incurred or aggravated in the line of duty while serving in the Alaska Territorial Guard, and whose disability has been rated as 50 percent or more; or (3) a resident at least 60 years old who is the widow, widower, or surviving same-sex domestic partner of a disabled veteran who qualified for an exemption under AS 29.45.030(e) and CBJ 69.10.020(1)(A)(I) and (ii).

Extraordinary or extenuating circumstance means a circumstance beyond the applicant's control such as an unforeseen illness or injury.

Gross household income means total annual compensation, earned and unearned, taxable and nontaxable, from all sources of all members of the household for the calendar year prior to the exemption year, including, but not limited to, wages, interest,

dividends, rents, royalties, alimony, pensions, annuities, gains derived from dealings in property, etc. Losses are not considered income for purposes of this exemption.

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Primary residence or permanent place of abode means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit, as of January 1 of the exemption year; and when absent, is not leased or rented to another.

Senior citizen means a resident who is (1) 65 years or older; or (2) a resident at least 60 years of age and the widow, widower, or surviving same-sex domestic partner of a senior citizen who qualified for an exemption under AS 29.45.030(e) and CBJ 69.10.020(1)(A)(I) and (ii).

Section 3. Amendment of Section. CBJ 69.10.020 Property exempt, is amended to read:

69.10.020 Property exempt.

The following property shall be exempt from the general tax levied pursuant to CBJ 69.10.010 and the flat tax levied pursuant to CBJ 69.10.015:

- (1) Property exempted by state or federal law, provided that:
 - (A) In the case of an exemption on the first \$150,000.00 of assessed value pursuant to AS 29.45.030(e),
 - (i) the property is owned and occupied as the primary residence and permanent place of abode by (1) a resident 65 years of age or older; (2) a disabled veteran; or (3) a resident at least 60 years old who is the widow, widower, or surviving same-sex domestic partner of a person who qualified for an exemption under (1) or (2) of this subsection;
 - (ii) the owner is a person eligible for a permanent fund dividend under AS 43.23.005 for the same year for which the exemption is sought or for the immediately preceding year; and
 - (iii) the claimant files an application no later than March 31 of the first assessment year for which the exemption is sought. Subsequent annual applications shall not be required from a person 65 years of age or older claiming under AS 29.45.030(e)(1), from a permanently disabled veteran claiming under AS 29.45.030(e)(2), or from a resident at least 60 years of age or older who is a widow, widower, or surviving same-sex domestic partner of either, but the assessor may at any time demand proof of current eligibility.

(B) Reserved.

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Section 4. New Section. A new section entitled, CBJ 69.10.021 Senior citizen and disabled veteran hardship exemption, is added to read:

69.10.021 Senior citizen and disabled veteran hardship exemption.

(a) An individual who otherwise qualifies for a senior citizen or disabled veteran property tax exemption as provided for by AS 29.45.030(e) and 29.45.030(f) shall qualify for a hardship exemption if the criteria set forth in this subsection are met. If allowed, a hardship exemption will be granted only for that portion of an eligible applicant's real property tax liability in excess of two percent of the applicant's gross household income as calculated after the senior citizen and disabled veteran property tax exemption required by state law is applied. Only one hardship exemption may be granted for the same property, and if two or more persons are eligible for an exemption for the same property, the parties shall decide among themselves who is to receive the benefit of the exemption. No exemption may be granted if the assessor determines, after notice and an opportunity for a hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed to the assembly under CBJ 01.50.030 - 260.

(b) Criteria. The following criteria must be met in order for an applicant to be eligible for a hardship exemption:

- (1) The applicant must qualify for a senior citizen or disabled veteran property tax exemption provided for by AS 29.45.030(e) and AS 29.45.030(f);
- (2) The applicant must meet the minimum standards set forth by 3 AAC 135.040(c); and
- (3) The applicant's gross household income, from all sources in the prior year, may not exceed 120 percent of the most current Median Family Income for Juneau as set by the U.S. Department of Housing and Urban Development for a similar sized household except as follows:
 - (i) an applicant whose household gross family income exceeds 120 percent of the Median Family Income for Juneau as set by the U.S. Department of Housing and Urban Development may nevertheless qualify for an exemption in the case of a documented extenuating or extraordinary circumstance that results in a one-time expense that, when subtracted from the applicant's household gross family income, results in the applicant's gross family income falling below 120 percent of the Median Family Income for Juneau for the year in question. Determinations under this paragraph will be made by the City Manager and are appealable to the assembly under CBJ 01.50.030 - 260.

(c) In cases of extreme hardship, an exemption of up to 100 percent of the applicant's assessed value of real property may be granted by a two-thirds vote of the assembly.

(d) Procedure. In applying for a hardship exemption, the applicant must submit the following documentation no later than April 30 of the assessment year for which the exemption is sought:

- (1) Form 21-400c, as required by 3 AAC 135.040(b);
- (2) A Federal Income Tax Return filed in the same year in which the exemption is sought, for all occupants in the applicant's home who are required to file federal income tax; and
- (3) A Hardship Exemption Application supplied by the assessor's office, including any necessary attachments or additional documentation as may be required by the assessor.

Section 5. Termination Date. The exemption set forth in this ordinance shall automatically expire on December 31, 2012.

Section 6. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 8th day of November, 2010.

Bruce Botelho, Mayor

Attest:

Laurie J. Sica, Clerk