

CLERK'S OFFICE  
**AMENDED AND APPROVED**  
Date: 11-4-03

Submitted by: Chair of the Assembly at  
the Request of the Mayor  
Prepared by: Finance Department  
For reading: October 21, 2003

ANCHORAGE, ALASKA  
AO No. 2003- 149, AMENDED

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.15.015  
TO AMEND THE FILING REQUIREMENTS FOR EXEMPTION FROM PROPERTY  
TAX FOR SENIOR CITIZENS AND DISABLED VETERANS.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code Section 12.15.015 is hereby amended to read as follows:

12.15.015 Exemptions.

A. The first \$150,000 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 [DOMICILE FOR AT LEAST 30 DAYS] prior to January 1 of the exemption [ASSESSMENT] year [FOR WHICH EXEMPTION IS SOUGHT BY:]. Upon initial application the owner must have been a resident of the State of Alaska [in-the] 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 [PERSON] who has reached the age of 65 prior to January 1 of the year for which the exemption [ASSESSMENT] 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 [WHO LEFT] the military service of the United States under conditions which are not dishonorable and [WHO ALSO HAS A DISABILITY OF 50 PERCENT OR MORE WHICH IS RELATED TO THAT MILITARY SERVICE AND WHO HAS RECEIVED A DETERMINATION OF 50 PERCENT OR MORE DISABILITY WITH AN EFFECTIVE DATE PRIOR TO JANUARY 1 OF THE YEAR FOR WHICH THE ASSESSMENT APPLIES] whose disability was incurred or

2 aggravated in the line of duty in military service of the United  
3 States, and whose disability is rated as 50 percent or more by the  
4 branch of service in which that person served or by the U.S.  
Department of Veterans Affairs; or

5 b. who served in the Alaska Territorial Guard, whose disability was  
6 incurred or aggravated in the line of duty while serving in the  
7 Alaska Territorial Guard, and whose disability is rated as 50  
8 percent or more; or

9  
10 3. A resident [PERSON] who has reached the age of 60 prior to January 1 of  
11 the year for which the exemption [ASSESSMENT] applies and is also a  
12 widow or widower of a person who [WAS] qualified to receive a tax  
13 exemption under subsection A.1 or A.2 of this section in a previous  
14 assessment year.

15  
16 \* \* \*

17 C. If the property is occupied by a person other than the eligible applicant and their  
18 spouse and minor children, this exemption applies only to the portion of the  
19 property occupied by the eligible applicant and their spouse and minor children as  
20 primary residence and permanent place of abode.  
21

22  
23 D [C]. [AN ANNUAL] [w]Written application for exemption under this section on a  
24 form prescribed by the assessor shall be filed no later than January [MARCH] 15  
25 of the assessment year to which the exemption shall apply. A qualified senior  
26 citizen or disabled veteran need not file such an application for successive tax  
27 years if there is no change in ownership, in residency or permanent place of  
28 abode, status of disability, or other factor affecting qualification for the  
29 exemption. A disabled veteran who has less than a permanent disability must  
30 submit an official disability percentage letter each year prior to January 15. The  
31 assessor may require proof under this section at any time. It shall be the  
32 responsibility of every person who obtains an exemption under this section to  
33 notify the assessor of any change in ownership, property use, residency,  
34 permanent place of abode, status of disability or other factor affecting  
35 qualification for the exemption. If the assessor determines that the property is not  
36 eligible for this exemption, all taxes, penalty, and interest due for all tax years  
37 beginning the year the property should have been subject to taxation shall be due  
38 and owing. The governing body, for good cause shown, may waive during a  
39 calendar year the claimant's failure to make timely application for exemption for  
40 that year and authorize the assessor to accept the application as timely filed. For  
41 the purposes of this subsection the mayor is authorized to act on behalf of the  
42 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 [D]. *Renumber subsection D. to E.*

F [E]. *Renumber subsection E. to F.*

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 [F] *Renumber subsection F to I.*

Section 2. That this ordinance shall take effect immediately upon passage and approval

PASSED AND APPROVED by the Assembly this 4~~th~~ day of November, 2003.

  
\_\_\_\_\_  
Chairman

ATTEST:

  
\_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2003-149

Title: AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE SECTION 12.15.015 TO AMEND THE FILING REQUIREMENTS FOR EXEMPTION FROM PROPERTY TAX FOR SENIOR CITIZENS AND DISABLED VETERANS.

Sponsor: Mayor  
 Preparing Agency: Finance Department  
 Others Impacted: None

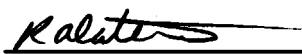



<b>CHANGES IN EXPENDITURES AND REVENUES:</b>				
(In Thousands of Dollars)				
	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
<b>Operating Expenditures</b>				
1000 Personal Services	\$ (26,000)	\$ (26,780)	\$ (27,583)	\$ (28,411)
2000 Non-Labor	(1,853)	(1,909)	(1,966)	(2,025)
3000 Contributions				
4000 Debt Service				
<b>TOTAL DIRECT COSTS:</b>	<b>\$ (27,853)</b>	<b>\$ (28,689)</b>	<b>\$ (29,549)</b>	<b>\$ (30,436)</b>
Add: 6000 Charges from Others				
Less: 7000 Charges to Others				
<b>FUNCTION COST:</b>				
<b>REVENUES:</b>				
<b>CAPITAL:</b>				
<b>POSITIONS: FT/PT and Temp</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PUBLIC SECTOR ECONOMIC EFFECTS:**

This change will reduce the cost to administer this program and allow redistribution of labor to investigate errors in application and exemption. The anticipated labor savings have been included in the 2004 budget as approved.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

This change reduces the burden on citizens who are legitimate participants in this program and supports continuation of the program through effective administration of the program. The residency requirement matches the Alaska Permanent Fund Dividend requirement.

Prepared by:	<u>Marty McGee Municipal Assessor</u>	Telephone: <u>343-6897</u>
Validated by OMB:	<u></u>	Date: <u>10/20/03</u>
Approved by:	<u> (Director, Preparing Agency)</u>	Date: <u>10/20/03</u>
Concurred by:	<u> (Director, Impacted Agency)</u>	Date: <u>10/20/03</u>
Approved by:	<u> (Municipal Manager)</u>	Date: <u>10/20/03</u>



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 807-2003

Meeting Date: October 21, 2003

1 **From:** Mayor

2  
3 **Subject:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
4 SECTION 12.15.015 TO AMEND THE FILING REQUIREMENTS FOR  
5 EXEMPTION FROM PROPERTY TAX FOR SENIOR CITIZENS AND  
6 DISABLED VETERANS.  
7

8 This ordinance would make the following changes to the administration of the Senior Citizens  
9 and Disabled Veterans Property Tax Exemption Program within the Municipality of Anchorage,

10 Residency Requirement

11 In 2002, Alaska State law (AS 43.23.005) was changed to allow local governments to use the  
12 permanent fund dividend eligibility criteria for the program. Current Municipal Code requires 30  
13 days residence prior to filing for an exemption from property taxes. After Assembly approval, an  
14 applicant would have to reside in their Anchorage residence for 185 days to receive the  
15 exemption. Amending the residency requirement will limit eligibility for exemptions to  
16 applicants who reside in the Municipality. Based on 2003 exemption filings it is estimated that  
17 approximately 200 seniors and veterans will no longer meet eligibility requirements. The Senior  
18 Citizens Advisory Commission suggested this change in 1998. This change will go into effect  
19 for the 2004 tax year.

20  
21 Local government code in the Kenai Peninsula Borough, Matanuska-Susitna Borough, Fairbanks  
22 North Star Borough, Ketchikan Gateway Borough, and the City and Borough of Juneau currently  
23 require applicants who qualify for the Senior Citizen and Disabled Veteran Exemption to reside  
24 in the residence for which the exemption is applied for a minimum period equal to that required  
25 to qualify for an Alaska Permanent Fund Dividend or 185 days.

26  
27 One-time Filing Requirement

28 Current Municipal Code also requires applicants to apply each year. AS 29.45.030(f) allows for  
29 a one-time filing, by local ordinance, to replace the annual filing requirement. The proposed one-  
30 time-filing amendment will reduce the cost of administering the program by eliminating the  
31 requirement that forms be made available for eligible residents every year. This will reduce staff  
32 time required to deal with approximately 7,400 senior and 1,300 veteran applications including  
33 250 late filers who are not in compliance with the filing deadline but meet other eligibility  
34 requirements. Currently the applications must be filed between November 15 and March 15  
35 requiring approximately 2,160 staff hours. (Three people for 4 months) This is at a critical  
36 juncture as preparation of the tax roll and appeal period occur during this time. The current

practice of annual filing allows approximately 15 minutes for review of each of the 9,000 applications. Under the revised system the assessor can devote more staff time to systematic review of accounts which have been identified as questionable. The assessor may require anyone to file new documents at any time. The staff will review accounts which do not match the PFD list, where recorded ownership has changed, where an inspection indicates a change in occupancy and randomly selected accounts each year. The assessor can expend half as much labor on filings and devote twice the effort to account review. One-time filing will also reduce the effort needed to comply with the current annual filing required by senior citizens or disabled veterans.

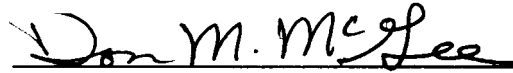
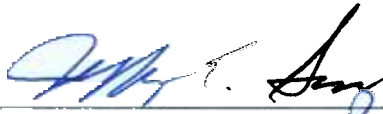
Local government code in the Kenai Peninsula Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, and the City and Borough of Juneau currently allow applicants to file one time without subsequent annual filing of application so long as their residency, and Senior Citizen or Disabled Veteran status does not change. If their residency and Senior Citizen or Disabled Veteran status changes, applicants have to file a new application for the year the change takes effect.

The Ketchikan Gateway Borough requires applicants to file annually.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2003-149 TO AMEND THE FILING REQUIREMENTS FOR EXEMPTION FROM PROPERTY TAX FOR SENIOR CITIZENS AND DISABLED VETERANS.**

Concurrence:

Prepared by:



Jeffrey Sinz, Chief Fiscal Officer  
Finance Department

Don McGee, Municipal Assessor  
Finance Department

Concurrence:

Concurrence:



Fred Boness, Municipal  
Legal Department

Denis LeBlanc  
Municipal Manager

Respectfully submitted,



Mark Begich  
Mayor