

Submitted by: ASSEMBLY MEMBER GRAY-JACKSON
Assembly Member Starr
Reviewed by: Property Appraisal/Municipal Assessor
Prepared by: Assembly Counsel
For reading: November 22, 2011

CLERK'S OFFICE
APPROVED

Date:

11-22-11

ANCHORAGE, ALASKA
AO NO. 2011-108(S)

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING
2 ANCHORAGE MUNICIPAL CODE SECTION 12.15.015 TO REPLACE THE MANDATORY
3 ANNUAL TAX-EXEMPT CERTIFICATION FOR NONPROFIT ORGANIZATIONS WITH
4 QUALIFIED RE-CERTIFICATION, RETROACTIVE TO JANUARY 1, 2010.

5
6 WHEREAS, the municipal assessor's office implemented a mandatory annual
7 certification requirement for not-for-profit organizations exempt from municipal property tax as
8 codified in municipal code effective January 1, 2010; and
9

10 WHEREAS, the municipal assessor recommends changing the requirement for
11 mandatory annual certification to qualified re-certification for reasons of efficiency and public
12 interest, retroactive to January 1, 2010; now, therefore,
13

14 THE ANCHORAGE ASSEMBLY ORDAINS:
15

16 **Section 1.** Anchorage Municipal Code section 12.15.015 is hereby amended to read as
17 follows (*language indicating no amendment is included for context only and other subsections*
18 *not affected are not set out*):
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20 **12.15.015 Real property exemptions.**
21

22 *** **

23
24 C. Strict enforcement of deadlines to file an exemption application and annual
25 certification.
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27 *** **

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29 4. Annual certification shall be in the form prescribed by the assessor, and
30 received by the assessor by no later than March 15 of the current tax
31 year, or the exemption expires and a new application is required.
32

33 a. For a disabled veteran exemption, see Section 12.15.015 D.2.,
34 below.
35

36 b. Annual certification is not required for residential real property
37 exemption if there is no change in ownership, residency or
38 permanent place of abode.
39

c. For a nonprofit religious, charitable, cemetery, hospital or educational exemption, see Section 12.15.015 D.3 below.

*** **

D. State exemptions.

*** **

3. Nonprofit religious, charitable, cemetery, hospital or educational exemption.

a. Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes 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.

*** **

d. Annual certification and reporting requirements.

1. All change of ownership or use shall be reported to the Assessor within 30-days of the change.

2. Unless specifically requested in the discretion of the Assessor for audit, cause, annual or routine review, annual certification is not required after an exemption has been approved under this subsection D.3 for property used exclusively for nonprofit religious, charitable, cemetery, or educational purposes, if there is no change in ownership or use.

3. Hospital property approved for exemption requires annual certification.

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(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; AO No. 2009-133(S-1), § 2, 1-12-10)

Section 2. This ordinance shall be retroactive as of January 1, 2010 upon passage and approval by the Assembly.

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PASSED AND APPROVED by the Anchorage Assembly this 22nd day of November, 2011.

Debbie Oseander
Chair

ATTEST:

Barbara S. Bennett
Municipal Clerk



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
NO. AM 594-2011

Meeting Date: October 25, 2011

1 **From:** ASSEMBLY MEMBER GRAY-JACKSON

2
3 **Subject:** AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
4 AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.15.015 TO
5 REPLACE THE MANDATORY ANNUAL TAX-EXEMPT
6 CERTIFICATION FOR NONPROFIT ORGANIZATIONS WITH
7 QUALIFIED RE-CERTIFICATION, RETROACTIVE TO JANUARY 1,
8 2010.
9

10 The amendments to AMC Section 12.15.015 in this ordinance will facilitate effective
11 administration of the property tax exemption program and will assist the Property
12 Appraisal Office in the consistent administration of state-mandated property tax
13 exemptions for nonprofit organizations.
14

15 The attached ordinance amends the requirement for nonprofit organizations to file an
16 annual certification with the Assessor in favor of a qualified re-certification, on an as-
17 needed basis in the discretion of the Municipal Assessor.
18

19 Administrative requirements for annual certification by nonprofit organizations have
20 proved unnecessarily burdensome for both the Property Appraisal Office and the
21 nonprofit organization. The proposed amendments will provide the Municipal Assessor
22 with the ability to require information from the nonprofit organization as the
23 circumstance may dictate, protecting the integrity of the exemption without unduly
24 burdening either the Property Appraisal Office or the nonprofit organization. Nonprofit
25 organizations often have volunteer staff, and an unnecessary annual certification
26 requirement could jeopardize a nonprofit organization's exempt status without
27 meaningful cause.
28

29 The Municipal Assessor, with the support of the Administration, recommends approval
30 of the attached ordinance, retroactive to January 1, 2010, the original effective date of
31 the annual certification requirement. This will administratively assist the Municipal
32 Assessor by allowing the Property Appraisal Office to focus its resources on an as-
33 needed basis, instead of blanket review of every nonprofit exemption and requisite
34 follow-up annually.
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37

38 Respectfully submitted:

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40 Elvi Gray-Jackson
41 Assembly Member, Section 4



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
No. AM 691-2011

Meeting Date: November 22, 2011

1 **From:** ASSEMBLY MEMBER STARR

2
3 **Subject:** AO 2011-108(S) — AN ORDINANCE OF THE ANCHORAGE MUNICIPAL
4 **ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.15.015 TO**
5 **REPLACE THE MANDATORY ANNUAL TAX-EXEMPT CERTIFICATION FOR NONPROFIT**
6 **ORGANIZATIONS WITH QUALIFIED RE-CERTIFICATION, RETROACTIVE TO JANUARY 1,**
7 **2010.**

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9 The nonprofit exemption under state law is not unconditionally available. Local governments
10 are entitled to require annual certification as an administrative condition, to ensure the
11 exemption is properly allocated and administered.

12
13 As explained in AM 594-2011, requiring annual certification of every nonprofit granted the
14 exemption has created an administrative burden. Some “fine tuning” of the requirement is
15 needed to allow the Municipality to focus its resources. One size does not fit all, and after an
16 exemption is initially processed for many nonprofits, the annual certification and reporting
17 does not need to be filed annually. This will provide administrative relief to the Municipality,
18 and to the smaller nonprofits lacking full time paid administrative personnel.

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20 The larger the nonprofit organization, the less reason to forgo the annual certification initiated
21 under AO 2009-133(S-1).

22
23 Nonprofit organizations may carry a variety of designations such as religious, charitable,
24 educational, or hospital. No matter the designation, the Assessor is vested with discretion to
25 require annual certification under the amendments in AO 2011-108(S). This allows the
26 Assessor to determine how resources may best be allocated to address the larger religious,
27 educational, and charitable organizations, especially those with mixed assets, some of which
28 do not qualify for exemption.

29
30 The educational and the religious classifications of organizations are not uniform in corporate
31 management and asset ownership: For example, many religious organizations are small, with
32 a single real property asset, while others are sophisticated and complex. The Assessor is in
33 the best position to determine which religious and educational organizations are complex
34 enough to require annual certification.

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36 Hospitals, on the other hand, represent a class of organizations that are sophisticated and
37 complicated enough to require annual certification, without requiring the Assessor’s
38 judgment. Hospital property approved for exemption requires annual certification.

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40 Respectfully submitted:

41
42 Assembly Member Starr, Section 2

AO 2011-108(S)
AM 594-2011