

Introduced by:	Baisden
Date:	07/08/25
Hearing:	08/05/25
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2025-16**

**AN ORDINANCE AMENDING KPB 5.18.115 TO INCREASE THE
RESIDENTIAL PROPERTY TAX EXEMPTION FROM \$50,000 TO \$75,000
SUBJECT TO VOTER APPROVAL**

- WHEREAS,** in 2022, the Alaska State Legislature passed House Bill 411, which increased the optional property tax exemption for primary residential properties from \$50,000 to \$75,000; and
- WHEREAS,** this ordinance amends KPB Code to increases the residential property tax exemption to \$75,000 subject to voter approval; and
- WHEREAS,** these amendments do not change eligibility requirements related to the exemption and, if approved by the voters, the increased exemption amount will take effect in 2026 for Fiscal Year 2027;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That this ordinance amends KPB Code and will be codified.

SECTION 2. That KPB 5.18.115 is hereby amended as follows:

5.12.115. Real property tax—Exemptions—Residential real property.

- A. The [FIRST \$50,000 OF] assessed valuation of \$75,000 of a single parcel of residential real property owned and occupied by the owner of record as the owner's permanent place of residence in the borough, [SHALL] may be exempt from the borough tax levy on real property within the Kenai Peninsula Borough in accordance with this section.

The assessor may presume that the property has not been occupied as the owner of record's primary residence and permanent place of abode, if the owner of record occupied it for less than 185 days during the previous year. If the current owner of record can provide the assessor with satisfactory evidence that the lack of occupancy was for medical reasons, the exemption may be granted.

- B. No exemption under this section may be granted except upon written application on a form prescribed by the assessor. The owner of record must file the application for this exemption with the assessor no later than January 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 years unless there is a change in ownership or occupancy of the residence.
- C. An applicant under this section is ineligible to receive the exemption if the applicant has applied for or received a similar residency-based exemption for the same year for property located in another jurisdiction outside the borough.

SECTION 3. That a ballot proposition shall be placed before borough voters at the regular election on October 7, 2025 to read as follows:

Shall Ordinance 2025-____ be approved?

Ordinance 2025-____ :

- Increases the residential property tax exemption from \$50,000 to \$75,000.
- Becomes effective January 1, 2026 for Fiscal Year 2027.

Yes ____ A “yes” vote means you approve increasing the residential real property tax exemption from \$50,000 to \$75,000.

No ____ A “no” vote means you oppose increasing the residential real property tax exemption from \$50,000 to \$75,000.

SECTION 4. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances will not be affected.

SECTION 5. That this ordinance shall take effect only upon approval by a majority of the voters in the borough qualified to vote on the question and who vote on the question during the regular KPB election scheduled for October 7, 2025 and effective January 1, 2026 for Fiscal Year 2027.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY
OF * 2025.**

Peter Ribbens, Assembly President

ATTEST:

Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent: