Introduced by:	Mayor
Date:	02/17/26
Hearing:	03/17/26
Action:	
Vote:	

KENAI PENINSULA BOROUGH
ORDINANCE 2026-05

AN ORDINANCE AUTHORIZING RETENTION OR SALE OF CERTAIN REAL PROPERTY OBTAINED BY THE KENAI PENINSULA BOROUGH THROUGH TAX FORECLOSURE PROCEEDINGS

WHEREAS, certain real property has been deeded to the Kenai Peninsula Borough (KPB) through tax foreclosure proceedings pursuant to AS 29.45.290 et seq. for delinquent payment of taxes; and

WHEREAS, these parcels have been reviewed by the KPB School District, all KPB administrative departments, service areas, applicable cities and advisory planning commissions, and the KPB Planning Commission; and

WHEREAS, the KPB administration recommends certain parcels be retained for a public purpose, as noted; and

WHEREAS, in accordance with AS 29.45.460(c), notice of hearing of this ordinance was sent by certified mail to former owners of record; and

WHEREAS, KPB will, up to the close of business at 5:00 p.m. AKST on April 24, 2026, extend the right to former owners of record to repurchase parcels retained for public purpose and parcels that are scheduled for sale; and

WHEREAS, the KPB Planning Commission conducted a public hearing during its regularly-scheduled hearing on March 16, 2026, and recommended_____;

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

SECTION 1. That this is a non-code ordinance.

SECTION 2. That the real property listed and described in Exhibit A, incorporated herein by reference, is designated as tax foreclosed parcels retained for a public purpose with a recommended classification, pursuant to KPB 5.12.190.

SECTION 3. That it is hereby determined that a public need for the parcels listed in Exhibit B, incorporated herein for reference, does not exist and they are hereby designated as tax foreclosed parcels eligible for sale and may be sold by public auction, pursuant to KPB 5.12.200.

SECTION 4. That the mayor is hereby authorized to market and sell the real property designated as foreclosed parcels for sale for an amount not less than the judgment amount for delinquent taxes, plus penalties, interest, and any and all other related costs as certified by the KPB Finance Department, for cash at a public auction. All real property is to be sold as is, where is, subject to any and all encumbrances, restrictions of record, zoning ordinances, and any and all plat requirements and covenants.

SECTION 5. That in the event a parcel is repurchased by a former owner(s) of record prior to sale, the repurchase amount shall include the judgment amount for delinquent taxes, penalties, interest, and any and all other related costs as certified by the KPB Finance Department, to include proportional additional fees incurred by the KPB Land Management Division.

SECTION 6. That in the event a parcel is sold for an amount in excess of the judgement amount for delinquent taxes, plus penalties, interest, and any other related costs as certified by the KPB Finance Department, excess sale proceeds for that parcel will be subject to proportional additional fees incurred by KPB for auction services, as defined in the contract for auction services.

SECTION 7. That once all deductions have been tabulated, the KPB Finance Director, or designee, will provide written notice to former owners of record of the real property advising of the excess sale proceeds amount and the manner in which a claim for the balance of the proceeds may be submitted. Notice is sufficient if mailed to the former owner(s) of record at their last known address as disclosed by KPB Assessor records. Upon presentation of a proper claim, KPB will remit excess sale proceeds to former owners of record. Pursuant to AS 29.45.480, a claim for excess proceeds which is filed after six (6) months from the date of the public auction is forever barred. Upon expiration of the above claim period, all unclaimed excess sale proceeds are to be deposited in the KPB Land Trust Investment Fund, except for those parcels having delinquent amounts due to KPB for sales tax or other KPB liens. In those instances, the amounts required to payoff said delinquency or lien will be paid from the unclaimed excess sale proceeds prior to being deposited in the KPB Land Trust Investment Fund.

SECTION 8. That the assembly authorizes the mayor to conduct a live public auction, or online auction, or a combination thereof, of the tax foreclosed real property listed in Exhibit B. The auction is to be held on April 25, 2026, in the KPB Assembly Chamber, 144 N. Binkley Street, Soldotna, Alaska. Public notice will be prominently placed on KPB's webpage in a consolidated location and on an official social media account of the KPB. In the event the KPB Administration is

unable to proceed with the auction on the designated date, the KPB Administration will reschedule the auction to a date not more than 60 days later than the date designated in this ordinance.

SECTION 9. That notice of sale must be published in accordance with KPB 1.08.180. The last notice of sale must appear not less than five calendar days before the date of sale.The notice must contain a brief description of the land, the general location of the land and the terms of the sale as fixed by the assembly by this ordinance.

SECTION 10. That the assembly finds it is in the best interests of the KPB to require tax foreclosure sale bidders to be Alaska residents. As a condition of bidder registration, bidders must provide a valid Alaska driver's license or State of Alaska issued identification as proof of Alaska residency. In addition, through this residency restriction, KPB, as a political subdivision of the State, is furthering the State's purpose and intent in prioritizing the conveyance of Alaska lands to Alaska residents. Pursuant to AS 38.05.055, for state land sales, public auction or sale by sealed bid is restricted to bidders who have been residents of the state for at least one year immediately preceding the date of the sale. As a political subdivision of the State, the assembly finds the state law compelling. Specific to foreclosed properties, restricting the tax foreclosure sale to Alaska residents is reasonable and necessary due to the challenges often presented by such properties. The KPB's interest is in returning foreclosed properties to the tax rolls and to provide residents an avenue to use local knowledge to discern whether a property is fit for a particular purpose.

SECTION 11. That during the public auction, the number of parcels initially sold to a registered bidder will be limited to a maximum of two (2) parcels. Any parcel not initially sold during the auction will be moved to the end of the auction and re-bid one (1) time only. At that time all registered bidders will be allowed to bid on all remaining parcels without limitation.

SECTION 12. That the mayor shall execute and deliver to the buyer of any of the sale parcels a tax foreclosure quitclaim deed specifically without any warranty or representation. Said deed will convey any and all interest KPB may have in the subject parcel, expressly reserving mineral rights, if any, to KPB. Prospective buyers are on notice by this ordinance and by other means of publication or public notice of the terms of the sale. KPB has no expressed or implied knowledge of said parcels and does not guarantee any right, title, or interest in and to any of the parcels sold nor to any improvements that may be located on said parcels. It is the burden of potential buyers to determine condition of title prior to bidding at the sale. KPB will be held harmless from any and all claims regarding title or possession to, and future use and enjoyment of, any of the parcels to be sold. Potential buyers are advised that KPB, at its sole discretion, reserves the right to withdraw any and or all of the parcels listed for sale.

SECTION 13. That $25,000 has been appropriated into the Land Trust Fund Account No. 250.2120.45110 to satisfy tax obligations pursuant to AS 29.45.290 for those parcels specifically being retained by KPB for a public purpose.

SECTION 14. That parcels repurchased by former owners of record will be removed from Exhibit A or Exhibit B, as applicable.

SECTION 15. 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 16. This ordinance shall become effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2026.

_____
Ryan Tunseth, Assembly President

ATTEST:

_____
Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent: