

MEMORANDUM

TO: Wayne Ogle, Assembly President
Member

FROM: Charlie Pierce, Mayor 

DATE: February 8, 2018

RE: Ordinance 2018- 11, Amending KPB 5.12.116 and KPB 19.30.060(B) to Reflect Changes to Alaska Statute 29.45.050 Economic Development Property Tax Exemption (Mayor)

AS 29.45.050(m) provides municipalities discretionary authority to partially or totally exempt all or some types of economic development property from taxation for a designated period. The 2017 Alaska Legislature enacted SB 100 which, among other things, amended AS 29.45.050(m) to provide municipalities broader discretion relating to economic development property tax exemptions.

The borough currently provides for an economic development property tax exemption at KPB 5.12.116 and amending KPB 5.12.116 to reflect the changes to AS 29.45.050(m) which will broaden the conditions under which a property may qualify for an economic development property tax exemption, potentially enabling more properties to benefit from this exemption.

In addition, it is necessary to amend AS 19.30.060(B) to clarify that economic development property tax exemption applicants do not also need to satisfy requirements and follow processes set out in KPB 19.30. The goal is to avoid unnecessary obstacles and layers of government; to provide the public a clear, straightforward application process. Currently, all property tax exemptions are handled by the assessing department. The amendment to AS 19.30.060(B) would alleviate possible confusion regarding applications for economic development property tax exemptions.

Assembly action is requested to amend the borough's economic development property tax exemption to align with state statute and to add clarity regarding which chapter of borough code applies to applications for economic development property tax exemption.