



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Kelly Cooper, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *MN*

FROM: Tom Anderson, Borough Assessor *TA*

DATE: August 3, 2017

SUBJECT: Resolution 2017 052, Authorizing the Assessor to Accept Four Late-Filed Senior Exemption Applications and Two Late-Filed Senior Hardship Exemption Applications for 2017, Filed After March 31 and July 1, Respectively (Mayor)

Four applicants have requested the assembly allow the assessor to accept late-filed real property senior citizen tax exemption applications filed after March 31, 2017. KPB 5.12.105 and AS 29.45.030(f) allow for late-filed exemptions to be granted by the assembly. For an application filed after March 31 the applicant must file an affidavit stating good cause for failure to comply with the deadline. Good cause is defined by KPB 5.12.105(E)(4) as:

. . . an inability to comply with the March 31 deadline that was caused by a serious condition or extraordinary event beyond the taxpayer's control. A serious condition or extraordinary event may include a serious medical condition or other similar serious condition or extraordinary event.

Two applicants have requested the assembly allow the assessor to accept late-filed senior Citizen Hardship applications filed after July 1, 2017. Senior citizen hardship applications are allowed under KPB 5.12.105(j) and allow for exemption beyond the first \$300,000 of assessed value of real property under AS 29.45.030(e) by completing State form 21-400c and submitting the form, including necessary attachments, to the borough assessor before July 1 of the exemption year. AS 29.45.030(f) provides the assembly may, for good cause, waive this deadline.

An eligible applicant may qualify for a hardship exemption beyond the first \$300,000 of assessed value of real property if the amount of the applicant's tax bill is greater than 2 percent of the applicant's gross household income. "Gross household income" means total annual compensation, earned and unearned, from all sources, of all members of the household.

Senior Citizen Exemption Applicant:

John Bondioli states in his late-filed affidavit that he has been receiving continuous medical treatment for a serious health condition. He has been receiving treatments to alleviate his symptoms from doctors out of state. Surgery was been as part of his treatment. Medical documentation has been provided.

Mr. Bondioli has had the exemption in the past and during a routine audit the exemption was removed with notification sent that he must reapply for 2017. Mr. Bondioli stated that he did not receive the notification to reapply because of his absence for medical treatment.

Based upon the facts in the exemption application, it appears the property and Mr. Bondioli would have qualified for exemption had he reapplied timely.

Senior Citizen Exemption Applicant:

Jeanne Englishbee states in her late-filed affidavit that her husband, Virgil, died on September 16, 2016, and her son passed away on February 6, 2015. Subsequent to their deaths, she was diagnosed with a serious illness and has been receiving medical treatment and surgery outside of the borough. Medical documentation has been provided.

Virgil Englishbee had the senior citizen exemption prior to his death and it was removed without notification to Jeanne Englishbee that she was eligible to apply. The Assessing Department was not aware that Mr. Englishbee had remarried and did not notify her of the need to apply on her own behalf.

Based upon the information provided in her application it appears the property and Mrs. Englishbee would have qualified for the senior citizen exemption beginning in 2017, if her senior citizen exemption application was submitted timely.

Senior Citizen Exemption Applicant:

Harry Temple states in his late-filed affidavit that he has been out of state receiving treatment for a serious medical condition.

Mr. Temple had previously been approved for the senior citizen exemption since before 2007. In December 2016 he reported absences of over 180 days during 2016 due to his need for medical treatment out of state. The borough requested that he provide documentation that his absence was due to his medical treatment but he failed to respond and his exemption was removed for 2017. Once his health stabilized, he realized his absence from his home in Alaska was not going to be a permanent move and he has returned and wishes to qualify for his senior citizen exemption for 2017.

Based on the information provided in his application it appears the property and Mr. Harry Temple would have qualified for the senior citizen exemption beginning in 2017, if his senior citizen exemption application was submitted timely.

Senior Citizen Exemption Applicant:

Steven Stauber states that he returned from out of the country two weeks before the senior citizen exemption filing deadline but due to other concerns he failed to apply before the filing deadline of March 31, 2017.

Based on the information provided in his application it appears the property and Mr. Steven Stauber would have qualified for the senior citizen exemption beginning in 2017, if his senior citizen exemption application was submitted timely.

Senior Citizen Hardship Exemption Applicant:

Grant Phillips is a 94 year-old senior, who is now primarily home bound. He normally applies timely for his senior citizen hardship exemption and has been approved. He states in his late-filed affidavit that no renewal application was mailed to him.

The assessing department exemption examiner has, in prior years mailed him an application to apply, with a reminder of the due date, as a courtesy. The mailing of applications and reminders is not mandatory and did not happen as in past years due to scheduling conflicts. The senior hardship exemption must be applied for annually.

Based upon the facts submitted with Mr. Grant's application, he would have qualified for the hardship exemption if he had applied on time.

Senior Citizen Hardship Exemption Applicant:

Tommye Jo Corr is an 87 year-old senior who lives alone and states in her late-filed affidavit that she has been experiencing medical problems over the last few years. It appears this condition caused her to fail to file on time this year. She does provide a physician's statement that this condition is currently being evaluated.

Mrs. Corr has been approved for the senior hardship exemption in past years. The assessing department exemption examiner has, in prior years mailed her an application to apply, with a reminder of the due date, as a courtesy. The mailing of applications and reminders is not mandatory and did not happen as in past years due to scheduling conflicts. The senior hardship exemption must be applied for annually.

As a matter of procedure, there are no established guidelines in code regarding the late-filed process for senior hardship applications. There will be some proposed changes forthcoming to clarify the process.