

Introduced by:	Mayor
Date:	04/03/18
Hearing:	05/01/18
Action:	Enacted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2018-17**

**AN ORDINANCE AMENDING KPB 5.35.155 AND KPB 14.31.145 TO AUTHORIZE  
THE MAYOR TO ACCEPT LATE-FILED APPLICATIONS FOR A DEFERRED  
PAYMENT OF PRINCIPAL FOR A UTILITY SPECIAL ASSESSMENT OR ROAD  
IMPROVEMENT ASSESSMENT DISTRICT**

**WHEREAS,** borough code currently authorizes qualifying economically disadvantaged property owners to apply for deferral of the payment on the principal of a utility or road improvement special assessment lien; and

**WHEREAS,** the deadline for filing for a deferral is February 1; and

**WHEREAS,** on occasion owners have asked the borough to accept a late-filed application for reasons such as medical conditions that made it extremely difficult if not impossible to meet the deadline; and

**WHEREAS,** if they are unable to make the payment the full amount of the assessment will become due thirty days after the date of notice of delinquency; and

**WHEREAS,** if they are unable to pay the full amount owed, the property would be subject to the annual foreclosure process which would result in them losing their property unless the debt is paid in full; and

**WHEREAS,** the borough's primary interest is in being paid for the assessment, not in foreclosing on the property where this deadline is missed for good cause; and

**WHEREAS,** authorizing the mayor to accept deferral applications after the February 1 deadline for good cause shown is in the best interests of the borough; and

**WHEREAS,** making this ordinance retroactively effective on February 1, 2018, would enable the administration to accept a late-filed application from a qualifying property owner who has shown good cause for not applying before February 1 of this year;

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

**SECTION 1.** That KPB 5.35.155 is hereby amended, as follows:

**5.35.155. Deferral of payment of principal.**

- A. The principal of the special assessment lien on real property owned and occupied as the primary residence and permanent place of abode by a resident who is economically disadvantaged may be deferred as provided in this section. The deferral of payment on the principal of the special assessment lien means that such payment will be postponed, but not forgiven.
- B. For purposes of this section, a resident is economically disadvantaged if the person's adjusted gross income is less than 200 percent of the current U.S. Health and Human Services Poverty Guidelines for Alaska.
- C. Interest shall continue to accrue on the assessment during the period of deferral.
- D. Property owners wishing to seek a deferral of the assessment shall submit a form prescribed by the finance director or designee no later than February 1 of each calendar year to certify that the conditions described in this section continue to exist.
- E. Deferral is for the principal balance only. Individuals who qualify for the deferral shall pay the accrued interest by the due date each year.
- F. The deferred assessment, including all unpaid accrued interest, becomes due and payable in full when the property ceases to be owned or occupied by the resident who qualified for the deferral. Any remaining balance due shall be paid on the same schedule as would have been in place if no deferral had applied.
- G. If the resident who previously qualified for the deferral no longer qualifies, but continues to own and occupy the property, then payments on the principal shall resume starting with the next payment due.
- H. Deferral applications filed after February 1 may only be accepted and considered as follows:
  - 1. Deferral applications filed after February 1 of the calendar year must be accompanied by a signed affidavit stating good cause for failure to comply with the February 1 filing deadline. If a qualified claimant files an untimely application, the mayor is delegated the authority, for good cause shown, to waive the individual's failure to make timely application and to authorize the finance director to accept the application as if timely filed.

2. This authority to grant extensions cannot be exercised to allow acceptance of a deferral application for any years prior to the current year. If the extension is granted the application must be filed with the finance department and this filing must occur within the year for which the deferral is sought.
3. Good cause for failure to comply with the deadline must be based upon a serious condition or event beyond the property owner's control. For purposes of this subsection, a serious condition or event may include a serious medical condition or other similar serious condition or event that prevented the property owner from timely filing the application. Absent extraordinary circumstances, a failure to pick up or read mail, or to make arrangements for an appropriate and responsible person to pick up or read mail, or a failure to timely provide a current address to the finance department will not be deemed to be good cause

**SECTION 2.** That KPB 14.31.145 is hereby amended, as follows:

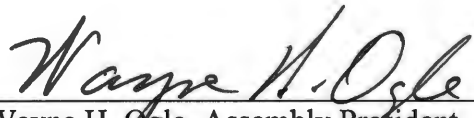
**14.31.145. Deferral of payment of principal.**

- A. The principal of the special assessment lien on real property owned and occupied as the primary residence and permanent place of abode by a resident who is economically disadvantaged may be deferred as provided in this section. The deferral of payment on the principal of the special assessment lien means that such payment will be postponed, but not forgiven.
- B. For purposes of this section, a resident is economically disadvantaged if the person's adjusted gross income is less than 200 percent of the current U.S. Health and Human Services Poverty Guidelines for Alaska.
- C. Interest will continue to accrue on the assessment during the period of deferral.
- D. Property owners wishing to seek a deferral of the assessment must submit a form prescribed by the finance director or designee no later than February 1 of each calendar year to certify that the conditions described in this section continue to exist.
- E. Deferral is for the principal balance only. Individuals who qualify for the deferral must pay the accrued interest by the due date each year.

- F. The deferred assessment, including all unpaid accrued interest, becomes due and payable in full when the property ceases to be owned or occupied by the resident who qualified for the deferral. Any remaining balance due shall be paid on the same schedule as would have been in place if no deferral had applied.
- G. If the resident who previously qualified for the deferral no longer qualifies, but continues to own and occupy the property, then payments on the principal will resume, starting with the next payment due.
- H. Deferral applications filed after February 1 may only be accepted and considered as follows:
  - 1. Deferral applications filed after February 1 of the calendar year must be accompanied by a signed affidavit stating good cause for failure to comply with the February 1 filing deadline. If a qualified claimant files an untimely application, the mayor is delegated the authority, for good cause shown, to waive the individual's failure to make timely application and to authorize the finance director to accept the application as if timely filed.
  - 2. This authority to grant extensions cannot be exercised to allow acceptance of a deferral application for any years prior to the current year. If the extension is granted the application must be filed with the finance department and this filing must occur within the year for which the deferral is sought.
  - 3. Good cause for failure to comply with the deadline must be based upon a serious condition or event beyond the property owner's control. For purposes of this subsection, a serious condition or event may include a serious medical condition or other similar serious condition or event that prevented the property owner from timely filing the application. Absent extraordinary circumstances, a failure to pick up or read mail, or to make arrangements for an appropriate and responsible person to pick up or read mail, or a failure to timely provide a current address to the finance department will not be deemed to be good cause

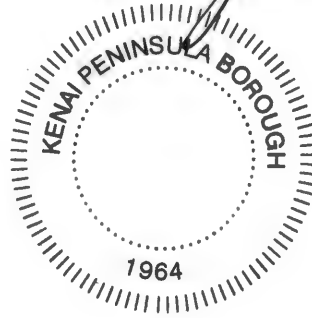
**SECTION 3.** That this ordinance shall be retroactively effective on February 1, 2018.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 1ST DAY OF MAY, 2018.

  
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Wayne H. Ogle, Assembly President

ATTEST:

  
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John Blankenship, MMC, Borough Clerk



Yes: Bagley, Blakeley, Carpenter, Cooper, Dunne, Fischer, Hibbert, Smalley, Ogle  
No: None  
Absent: None