

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2015-18

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE CHAPTER 4.15.030, EXEMPTIONS TO ESTABLISH PROCEDURES AND DEADLINES FOR FILING THE SENIOR CITIZEN/DISABLED VETERAN EXEMPTION**

WHEREAS, the City of Dillingham has been following the Alaska Administrative Code Title 3, for filing applications for senior citizen and disabled veteran property tax exemption on forms provided by the Department of Community and Economic Developments; and

WHEREAS, the filing deadline under 3 AAC 134.050 is January 15 of the assessment year; and

WHEREAS, the City is required under AS 29.45.050 (f), to establish by ordinance procedures and deadlines for filing the application. However, the governing body of the municipality for good cause shown may waive the claimant's failure to make timely application for exemption and authorize the city to accept the application as if timely filed; and

WHEREAS, the City will extend its deadline up to May 25, if the applicant can provide a written statement showing good cause for filing late;

NOW, THEREFORE, BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

**Section 1. Classification.** This is a code ordinance.

**Section 2. Amendment of Section 4.15.030.** Section 4.15.030 of the Dillingham Municipal Code is hereby amended as follows with new language underlined and **emboldened** and deleted language shown as ~~strikethrough~~.

**4.15.030 Real and Personal Property Exemptions.**

~~A. Property exempted from taxation shall be those items cited at AS 29.45.030, including rental household and office furniture.~~

**A. The property listed in AS 29.45.030 is exempt from general taxation, subject to the requirements set out therein and in this section.**

**B. Application Required. An application provided by the city for an exemption from taxation of property shall be filed with the city in accordance with AS 29.45.030.**

**C. Senior Citizen or Disabled Veteran Eligibility.**

**1. Residents of the City of Dillingham are eligible for a real property tax exemption on the first \$150,000 of assessed value on the real property they own and occupy as a primary residence and permanent place of abode if the individual meets one of the following requirements:**

**a. 65 years of age or older;**

- b. disabled veteran; or
- c. at least 60 years old who is the widow or widower of a person who qualified for an exemption under (a) or (b) of this subsection.

2. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption.

3. Disabled Veteran means a disabled person:

a. separated from the military service of the United States under a condition that is not dishonorable who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the United States Department of Veterans Affairs; or

b. who served in the Alaska Territorial Guard, who is a resident of the state, whose disability was incurred or aggravated while serving in the Alaska Territorial Guard, and whose disability has been rated as 50 percent or more.

4. Assessment Date. In order to qualify for an exemption described in this section, an applicant must fulfill the requirements for the exemption as of January 1 in the tax year for which the exemption is sought.

5. Filing Deadline. An application for exemption shall be filed no later than February 15 of the assessment year for which the exemption is requested.

6. Deadline Extension for Good Cause. The assessor may accept an exemption application after February 15 and up to May 25, of the assessment year for which the exemption is requested only upon a showing of good cause. A request to accept a late filed exemption application for a tax year shall be filed with the Finance Director. A denial of such a request may be appealed to the Board of Equalization pursuant to subsection 4.15.030 (C)(12). Notwithstanding any other provision of law, a request to accept a late filed exemption application shall not be granted if it is not filed on or before May 25 of the tax year for which the exemption is sought.

a. “Good cause,” for purposes of waiver of the filing deadline, is a written explanation by a medical doctor which unequivocally establishes that the person seeking the exemption was physically or mentally incapacitated and therefore unable to submit a timely application or to appoint an authorized representative to file an exemption application on his or her behalf.

7. Senior Citizen Applications.

a. Qualifying senior citizen applicants are not required to reapply annually and shall remain in exempt status until the time when changes in ownership, occupancy, property use, or other factors affecting the exemption causes the property to either spatially qualify or no longer qualify for exempt status.

8. Disabled Veterans Applications.

a. The City shall accept disabled veteran applications for previous tax years only where the disabled veteran has made timely application for each year the exemption is sought and has received a qualifying retroactive

disability evaluation from the Veteran's Administration or applicable branch of service.

b. Qualifying disabled veterans who are permanently disabled are not required to reapply annually and shall remain in exempt status until the time when changes in ownership, occupancy, property use, status of disability or other factor affecting the exemption causes the property to either spatially qualify or no longer qualify for exempt status.

c. Disabled veterans who have not received a permanent disability rating are required to file annually.

9. City Notification. Property owners shall notify the city when the requirements for exemption are no longer met.

10. Assessor Determination and Request for Proof. If the assessor determines that a property is not eligible for exemption, all taxes, penalty and interest due on the property from the tax lien date following the date the property should have been subject to taxation are immediately due and owing. The assessor may require proof under this section at any time.

11. Certain Exempted Properties. Laws exempting certain property from execution under the Code of Civil Procedure (AS 09) do not exempt the property from taxes levied and collected by municipalities.

12. Appeal. A person may appeal the city's denial of an application for the exemption of property from taxation to the Board of Equalization pursuant to DMC 4.15.125 through 4.15.140.

a. The appeal shall be filed with the city clerk, in writing, setting forth with specificity the explanation in support of the reason for the appeal, within 30 days of the city's determination to deny the exemption application.

b. The Board of Equalization's decision on the appeal may be filed as an administrative appeal to the superior court within 30 days, which appeal shall be on the record on which the Board of Equalization based its merits.

B. D. Snowmobiles and three, four, or six wheel all terrain vehicles (not to exceed manufactured dry weight of one thousand pounds) shall be exempted from personal property taxation.

~~G.~~ E. Recreational boats and all outboard motors shall be exempted from personal property taxation. For purposes of this exemption "recreational boats" means watercraft used or capable of being used as a means of transportation on water and used exclusively for purposes other than commercial purposes and which are otherwise exempt from taxation under this section.

"Commercial purposes" means activities for which a person receives direct monetary compensation or activities for which a person receives no direct monetary compensation, but that are incidental to and done in furtherance of the person's business.

~~D.~~ F. The following boats are not exempt from personal property taxation under this section:

1. Boats used for commercial purposes, the amount of the assessed valuation over three hundred thousand dollars is not taxable. Unless renewed by the Dillingham city council, the exemptions granted under this subsection shall expire on December 31, 2018, after which the full and assessed value of such vehicles shall be taxable;

2. Boats required to display a commercial operator permit under state law or regulation;

3. Fishing vessels required to display a number plate by AS 16.05.520(A) or any successor state law or regulation;
4. Boats for which a commercial vessel license is required under state law;
5. Boats owned or operated by any time during the preceding calendar year for the purpose of the taking, fishing for, or possession of fish, shellfish, or other fishery resources with the intent of disposing of them for profit, or by sale, barter, trade, or in commercial channels regardless of whether the boat was actually used for this purpose;
6. Boats for which a vessel entry permit is required; and
7. Boats operated at any time during the preceding calendar year for hire. (Ord. 01-12 § 1 (part), 2001; Ord. 08-02 § 3, 2008; Ord. 13-13 § 2, 2013.)

A. G. Rental household and office furniture are exempt.

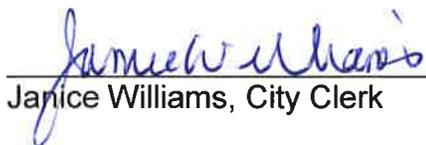
**Section 3. Effective Date.** This ordinance is effective upon passage.

BE IT ENACTED by the Dillingham City Council on Nov. 5 2015.

  
\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

  
\_\_\_\_\_  
Janice Williams, City Clerk

**City of Dillingham Information Memorandum**

Agenda of: Nov. 5, 2015

Attachment to:

Ordinance No. 2015-18 / Resolution No. \_\_\_\_\_

**Subject:**

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE CHAPTER 4.15.030, EXEMPTIONS TO ESTABLISH PROCEDURES AND DEADLINES FOR FILING THE SENIOR CITIZEN/DISABLED VETERAN EXEMPTION

City Manager: Recommend Approval

Signature: Rose Doera

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

-An advertisement for a Public Hearing on Ordinance No. 2015-18 was scheduled to be placed in the October 29, 2015, edition of the Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing, which is scheduled for November 5, 2015.

**Summary Statement:**

The City is required by law to establish a deadline for filing a senior exemption on real property. This is not included in our current code, but the City has been adhering to the Alaska Administrative Code which specifies by January 15. This ordinance would establish February 15 as the deadline and no later than May 25 of the same year, for good cause, which is prior to certifying the tax roll by June 15 of each year.

AS 29.45.050 (f). Each municipality shall, by ordinance, establish procedures and deadlines for filing the application. The governing body of the municipality for good cause shown may waive the claimant's failure to make timely application for exemption and authorize the assessor to accept the application as if timely filed.

**According to the State Assessor's Office:**

The specific deadline is up to the City of Dillingham. The amendment would greatly expand the opportunity for individuals to make an application for the exemption and expand it to a point that is pretty much the limits of what is fiscally feasible. The City is not bound to accept any applications that are received after the deadline specified by its code.

In item 4.15.030 E. Effective Date. The effective date of the application is January 1 of the tax year, per AS 29.45.110(a), which reads as follows:

**Summary Statement continued:**

Per AS 29.45.110(a)

“(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.”

So, all values, exemptions and conditions of the property are effective as of January 1st. If a building exists on January 1st and burns down on February 1st, it is taxable as if it were still there and in the condition in which it stood on January 1st. Likewise, if a qualifying senior owned the property on January 1st, the senior exemption stays with the property for the ENTIRE year. If the senior sells the property to a non-senior citizen and buys another on January 2nd, the exemption stays with the original home. The senior citizen loses the benefit of the exemption for the year, but can reapply for the exemption on the new home in the next year. Meanwhile, the new owner of the original home will receive the benefit of the exemption for the current year.

It is called the “lien date” as the value for the impending lien on the property (the property tax itself) is established as of that date.

This code change was vetted through the Code Review Committee and is being recommended to the Council for adoption.

| Route to | Department Head  | Date    |
|----------|------------------|---------|
|          | Finance Director |         |
|          |                  |         |
|          |                  |         |
| X        | City Clerk       | 11/6/15 |