

**CITY OF CORDOVA, ALASKA
ORDINANCE 1217**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, REPEALING
CHAPTER 5.36 “PROPERTY TAX” AND REPLACING SAME WITH A NEW CHAPTER 5.05
“PROPERTY TAX”, CHAPTER 5.06 “PROPERTY TAX EXEMPTIONS AND DEFERRALS”, AND
CHAPTER 5.07 “PROPERTY TAX EXEMPTION AND DEFERRAL CRITERIA”.**

WHEREAS, the City of Cordova has not substantively revised its property taxation provisions in over 30 years; and

WHEREAS, the City has experienced numerous requests regarding interpretation and scope of certain property tax exemptions and deferrals provided for in State statute and Code in the last several years and has determined it is in the City’s best interest to revise the Code to ensure clear provisions governing the City’s property tax regime; and

WHEREAS, the City Administration, in collaboration with the City Attorney, after several work sessions with City Council, submitted a memorandum summarizing the revisions to the Code and the reasons for those revisions and that memorandum accurately reflects Council’s purpose, intent, and scope of this Ordinance.

NOW, THEREFORE, it is ordained as follows:

Section 1. Cordova Municipal Code Chapter 5.36 “Property Tax” is hereby repealed.

Section 2. Cordova Municipal Code Title 5 “Revenue and Finance” is amended through the adoption of the following chapters:

Chapters

- 5.05 Property Tax
- 5.06 Property Tax Exemptions and Deferrals
- 5.07 Property Tax Exemption and Deferral Criteria

Section 3. Cordova Municipal Code Chapter 5.05 “Property Tax” is adopted to read as follows:

Chapter 5.05 PROPERTY TAX

Sections

- 5.05.010 Established.
- 5.05.020 Mobile homes subject to provisions.
- 5.05.030 Applicability of provisions.
- 5.05.040 Determination of true value.
- 5.05.050 Determination of true value of contaminated property.
- 5.05.060 Assessment roll.
- 5.05.070 Assessment roll—Determination of property owner.
- 5.05.080 Assessment roll—Property description.
- 5.05.090 Assessment roll—Basis of computation.
- 5.05.100 Assessment notice—Information required.
- 5.05.110 Assessment roll—Corrections.
- 5.05.120 Equalization hearings—Notice required.
- 5.05.130 Appeal—Grounds.
- 5.05.140 Appeal—Filing of notice.
- 5.05.150 Appeal—Recordation.

- 5.05.160 Appeal—Hearing—Notice.
- 5.05.170 Appeal—Hearing—Conduct.
- 5.05.180 Appeal—Hearing—Record of proceedings.
- 5.05.190 Appeal—Notice of decision.
- 5.05.200 Appeal—Entry of changes by assessor.
- 5.05.210 Appeal—To court.
- 5.05.220 Supplementary assessment rolls.
- 5.05.230 Assessment roll—Validity.
- 5.05.240 Delivery of statement to council.
- 5.05.250 Amount set by resolution.
- 5.05.260 Mailing of tax statements.
- 5.05.270 Lien.
- 5.05.280 Payment by installment—Delinquency.
- 5.05.290 Nonpayment—Penalties and interest.
- 5.05.300 Treasurer’s duties.
- 5.05.310 Right of entry for inspection—Examination under oath.

5.05.010 Established.

There shall be assessed, levied, and collected a general tax for school and municipal purposes upon all real properties within the City.

5.05.020 Mobile homes subject to provisions.

- A. Mobile homes, trailers, house trailers, trailer coaches and similar property used or intended to be used for residential, office or commercial purposes and attached to the land or connected to water, gas, electric or sewage facilities are classed as real property for tax purposes. This subsection does not apply to house trailers and mobile homes which are unoccupied and held for sale by persons engaged in the business of selling mobile homes.
- B. The City shall enforce taxes levied on mobile homes by a personal action against the owner, instead of by annual foreclosure. Such action may be commenced as of November 1st, the date the property taxes become delinquent.

5.05.030 Applicability of provisions.

All real property in the City is subject to taxation, except real property exempt under the constitution of the State, the applicable laws of the State, including all properties listed in AS 29.45.030, the City Charter or the ordinances of the City.

5.05.040 Determination of true value.

The assessor shall assess property at its full and true value as of January 1st of the assessment year, except as otherwise provided by law. 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.

5.05.050 Determination of true value of contaminated property.

Unless otherwise required by law, the assessor shall determine the full and true value of contaminated real property in accordance with the following:

- A. In this section:
 - 1. “Contaminated real property” means real property that on the assessment date is: (1) on the National Priority List of the Environmental Protection Agency; or (2) included by the Department of Environmental Conservation on its Contaminated Site List; or (3) is shown, through the

submission of reliable, objective information such as engineering studies, environmental audits, laboratory reports, or historical records, to have had a release of a hazardous substance or oil which release is shown to have been reported to the Department of Environmental Conservation; but shall not include any real property on which hazardous substances or oil may be legally stored, disposed or released or which has been contaminated as a result of a release from or in connection with the use of a residential fuel tank.

2. "Cost to cure" means the estimated after-tax cost of the remaining remedial work specific to the subject property to remove, contain or treat the hazardous substance or oil. Cost to cure may include the cost of environmental audits, surety bonds, insurance, monitoring costs and engineering and legal fees. The costs must be directly related to the clean up or containment of a hazardous substance or oil.
3. "Hazardous substance" and "oil" have the meanings ascribed in AS 46.08.900(6) and (7), respectively.

B. In determining the full and true value of contaminated real property, the assessor shall apply any reasonable appraisal approach. Where appropriate, the assessor may limit the assessment to the value of improvements and may make adjustments in valuation for the cost to cure to the extent that such cost will be borne by the owner of record.

5.05.060 Assessment roll.

The assessor shall complete reevaluations of all real property within the limits of the City at least sixty days before the Board of Equalization (or the "Board") meets each year. Separate ~~field cards~~ **electronic records** shall be kept on each piece of property. From these ~~field cards~~ **electronic records** an assessment roll shall be prepared and completed at least forty-five days prior to the board of equalization meeting. The assessment roll shall be open for inspection by the public. The roll must contain:

- A. The names and last known addresses of all persons with real property liable to assessment and taxation;
- B. A description of all taxable real property;
- C. The assessed value of said property.

5.05.070 Assessment roll—Determination of property owner.

Real property is assessed to the owner of record as shown in the records of the recorder for the Cordova Recording District; provided, however, that any other person having an interest in the property may be listed on the records with the owner. The person in whose name property is listed as owner is conclusively presumed to be the legal record owner. If the property is unknown, the property may be assessed to "unknown owner" or "unknown owners." No assessment shall be invalidated by a mistake, omission, or error in the name of the owner, if the property is correctly described.

5.05.080 Assessment roll—Property description.

The assessor may list real property located in the City and any addition thereto by lot and block number, and similarly for any subdivided property. Unsubdivided property may be listed according to survey description, or by giving the boundaries thereof, or by reference to the book and page of the records of the Cordova Recording District where recorded, or by designation of a tax parcel number referring to a public record of descriptions of real property kept by the assessor, or by such other manner as to cause the description to be made certain. Initial letters, abbreviations, fractions, and exponents to designate any lot or block or part thereof, or any distance, course, bearing or direction, may be employed in any such description of real property.

5.05.090 Assessment roll—Basis of computation.

All taxes to be levied or collected, except as otherwise provided, shall be calculated, levied, and collected upon the assessed values entered in the assessment roll and certified by the assessor as correct, subject to the taxpayer's rights to appeal and to the correction made in the rolls pursuant to this Chapter.

5.05.100 Assessment notice—Information required.

The assessor shall give to every owner, or his authorized agent named in the assessment roll, a notice of assessment showing the assessed value of his property. On the back of each assessment notice shall be printed a summary for the information of the taxpayer of the date when the taxes are payable, delinquent, and subject to penalty and interest, dates when the City Council will sit as a Board of Equalization for equalization purposes, and any other particulars specified by the Council. The assessment notice shall be directed to the person to whom it is to be given and shall be sufficiently given if it is mailed by first class mail addressed to, or is delivered at, his address as last known to the assessor, or, if the address is not known to the assessor, the notice may be addressed to the person at the post office nearest to the place where the property is situated. The assessor shall, on or prior to thirty days before the meeting of the Board of Equalization each year, mail or deliver the assessment notices and the date when mailed or delivered shall be deemed to be the date on which the notice was given for purposes of this Chapter.

5.05.110 Assessment roll—Corrections.

A person receiving an assessment notice shall advise the assessor in writing of errors or omissions in the assessment of the person's property. The assessor may correct errors or omissions in the roll before the Board of Equalization hearing. If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing thirty days for appeal to the Board of Equalization.

5.05.120 Equalization hearings—Notice required.

When all assessment notices have been mailed, the assessor shall cause to be published at least once each week for two successive weeks a notice that the assessment rolls have been completed, which notice shall state when and where the equalization hearings shall be held by the City Council sitting as a Board of Equalization. The Board shall meet on the third Monday each April and continue each day thereafter as it may deem necessary.

5.05.130 Appeal—Grounds.

Any person who receives notice or whose name appears on the assessment roll may appeal, as hereinafter provided, to the Board with respect to any alleged error in the valuation, overcharge, or omission of the assessor, not adjusted to the taxpayer's satisfaction.

5.05.140 Appeal—Filing of notice.

Notice of appeal, in writing, specifying the grounds for appeal and provided on the form provided by the City, shall be filed with the assessor not later than thirty days after the date of mailing of notice of assessment. If notice of appeal is not given within that period, the right of appeal shall cease as to any matter within the jurisdiction of the Board, unless it is shown to the satisfaction of the Board that the taxpayer was unable to appeal within the time so limited. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid and timely written appeal or proven at the appeal hearing.

5.05.150 Appeal—Recordation.

Upon receipt of the notice of appeal, the assessor shall make a record of the same in such form as the Board may direct, which record shall contain all the information shown on the assessment roll in respect of the subject matter of the appeal, and the assessor shall place the same before the Board from time to time as may be required by the Board.

5.05.160 Appeal—Hearing—Notice.

The assessor shall cause a notice of the time and place of the appeal hearing to be mailed to the person by whom the notice of appeal was given, and to every other person in respect of whom the appeal is taken, to their respective addresses as last known to the assessor.

5.05.170 Appeal—Hearing—Conduct.

A. At the time appointed for the hearing of the appeal or as soon thereafter as the appeal may be heard, the Board shall hear the appellant, the assessor, other parties to the appeal and their witnesses, and consider

the testimony and evidence adduced, and shall determine the matters in question on the merits and render its decision accordingly.

- B. If any party to whom notice was mailed as set forth in Section 5.05.150 fails to appear, the Board may proceed with the hearing in their absence.
- C. The burden of proof in all cases shall be upon the party appealing.

5.05.180 Appeal—Hearing—Record of proceedings.

The City Clerk shall be Ex Officio Clerk of the Board of Equalization on appeals and shall record the minutes of all proceedings before the Board, the name of all persons appealing assessments, and all changes, revisions, corrections, and orders relating to claims or adjustment.

5.05.190 Appeal—Notice of decision.

The City Clerk shall mail a copy of the decision of the Board on an appeal to the appellant and shall certify the decision to the assessor within seven days. The decision shall state whether the appeal is granted or denied in whole or in part, and the reasons therefor. The decision shall state that it is the final decision by the Board, and that the appellant and the assessor have thirty days to appeal the decision to the Superior Court.

5.05.200 Appeal—Entry of changes by assessor.

Except as to supplementary assessments, the assessor shall enter the changes so certified upon his records and certify the final assessment roll by June 1st.

5.05.210 Appeal—To court.

An appellant to the Board of Equalization or the assessor may appeal a determination of the Board of Equalization to the Superior Court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established before the Board of Equalization.

5.05.220 Supplementary assessment rolls.

The assessor shall include property omitted from the assessment roll on a supplementary roll, using the procedures set out in this Chapter for the original roll.

5.05.230 Assessment roll—Validity.

Every assessment roll as completed and certified by the assessor in conformity with this Chapter shall be valid and binding on all persons, notwithstanding any defect, error, omission or invalidity in the assessment roll or proceedings pertaining thereto.

5.05.240 Delivery of statement to council.

When the final assessment records have been completed by the assessor as provided in this Chapter, the assessor shall certify and deliver to the City Council on or before June 1st of each year a statement of the total assessed valuation of all real property within the City.

5.05.250 Amount set by resolution.

The City Council shall thereupon by resolution annually before June 15th fix a rate of tax levy and designate the number of mills upon each dollar of value of assessed taxable real property that shall be levied.

5.05.260 Mailing of tax statements.

By July 1st, the City Clerk shall prepare and mail tax statements to the person listed as the owner on the tax rolls. A tax statement shall set out the levy, dates when taxes are payable and delinquent, and penalties and interest.

5.05.270 Lien.

All taxes levied by the City Council pursuant to this Chapter shall be a lien upon all real property assessed, and such lien shall be prior and paramount to all other liens or encumbrances against the property assessed.

5.05.280 Payment by installment—Delinquency.

Property tax, except as otherwise provided, may be paid in two equal installments. The first installment shall be delinquent if not received or postmarked on or before August 31st of the tax year and the second installment shall be delinquent if not received or postmarked on or before October 31st of the tax year. If an installment due date falls on a Saturday, Sunday, or a City holiday, the installment shall be delinquent if not received or postmarked on or before the next business day.

5.05.290 Nonpayment—Penalties and interest.

When the property tax provided for in this Chapter is not paid on or before the due date, penalties and interest will accrue as follows:

- A. If the first one-half installment is not paid when due, a penalty of ten percent together with interest at the rate of eight percent per year on the installment, not including penalty, from due date until paid in full, shall be added thereto.
- B. After the due date for the payment of the second one-half installment, a total penalty of not to exceed ten percent shall be added to all delinquent taxes, and interest at the rate of eight percent per year shall accrue, as provided in this Chapter, upon all unpaid taxes, not including the penalty, from due date until paid in full.

5.05.300 Treasurer’s duties.

- A. The City Treasurer shall collect all taxes levied hereunder and shall receive all tax payments during regular business hours and issue receipts therefor.
- B. In the event the City Treasurer notes the existence of error, omission or double assessment of any property at any time after certification of the assessment roll, application shall be made by the City Treasurer for the adjustment and correction of such error to the City Council.

5.05.310 Right of entry for inspection—Examination under oath.

- A. For the purposes of making investigations, the assessor, or their designated deputy, shall have the right of access to the premises and may examine all property records involved, and any person shall, upon request, furnish to the assessor, or his designated deputy, every facility and assistance for the purpose of the investigation.
- B. The assessor may examine a person on oath or otherwise, and upon request of the assessor, the person shall present himself for examination by the assessor.

Section 4. Cordova Municipal Code Chapter 5.06 “Property Tax Exemptions and Deferrals” is adopted to read as follows:

Chapter 5.06 PROPERTY TAX EXEMPTIONS AND DEFERRALS

Sections

- 5.06.010 Purpose and authority.
- 5.06.020 Applications – Initial review.
- 5.06.030 Notice and hearing.
- 5.06.040 Annual assessments.
- 5.06.050 Review of exemptions.
- 5.06.060 Emergency waiver.
- 5.06.070 Transfer of ownership or change of use – Penalty.
- 5.06.080 Criteria.
- 5.06.090 Appeals.

5.06.010 Purpose and authority.

The granting of property tax exemptions and deferrals is one of the primary tools available to the City to achieve its objectives, including those regarding economic development, housing, and community resources. The City’s

authority and discretion to grant property tax exemptions and deferrals is subject to the limitations of this Chapter, Chapter 5.07, and any applicable state or federal laws. The City Clerk, assessor, and City Council may:

- A. Require the applicants for any exemption and/or deferral to provide information in support of their application;
- B. Require applicants to pay property taxes on a percentage of assessed valuation, a fixed property tax payment of any amount, or any other fraction of property taxes that would otherwise be due to the City; and
- C. Require the payment of initial application and annual review fees reasonably necessary to cover the costs of administration.

The grant or denial of a tax exemption or deferral under this Chapter, or Chapter 5.07, is a discretionary act by the City. The completion of an application for a tax exemption or deferral shall not give rise to any right or claim against the City for its failure to grant the application.

5.06.020 Applications – Initial review.

- A. Applications for exemptions and deferrals must be submitted by January 15 of the year in which they are sought, unless a different application deadline is specified in Chapter 5.07 of this code. The City will not consider the granting of any tax exemption or deferral under Chapter 5.07 until the applicant submits a full and complete application and provides such additional information as may be requested by the City Clerk, assessor, and City Council. The assessor may make an independent investigation of the application or property in making a determination under this section. The City Clerk shall notify the applicant, in writing, of the City Clerk's completeness determination on the application for exemption.
- B. The City Clerk may prepare a standard application form that upon completion will provide adequate and sufficient information to determine whether any tax exemption or deferral should be granted. The accuracy of the information provided in the application must be verified by oath of the applicant or an authorized officer of the applicant.
- C. If the applicant fails or refuses to provide information required or requested by the City within the time period established by the City, the exemption shall be denied.
- D. An applicant delinquent in the registration for, filing of a return, or payment of, any City property or sales tax, City special assessment, or City utility bill may not be granted an exemption and/or deferral under this section.
- E. Any person requesting a tax exemption or deferral pursuant to this Chapter and Chapter 5.07 shall pay to the City an initial application fee which must be submitted at the same time the application form is submitted. Application fees shall be set forth in the City's fee schedule.
- F. If any person knowingly makes any false representations in any submission to the City related to an initial application for or review of a tax exemption or deferral under this Chapter or Chapter 5.07, that person shall be punishable by a fine as set forth in Chapter 1.28. Any misstatement of or error in fact may render an application null and void and may be cause for the revocation of any tax exemption or deferral adopted in reliance on such information.
- G. Exemptions claimed under Section 5.07.010 are governed by the process and timeline mandated by the State as set forth in that section.

5.06.030 Notice and Hearing.

After the City Clerk determines that the application is complete and the City Clerk and/or assessor determine that the applicant is eligible for a tax exemption and/or deferral, the City Clerk and/or assessor shall submit a copy of the application with a written recommendation to the City Council. No tax exemption or deferral under this section shall be granted by the City Council prior to a public hearing thereon. The City Clerk shall notify the applicant of the public hearing. If an application is incomplete or clearly ineligible, the City Clerk shall issue a determination denying the application.

5.06.040 Annual assessments.

All property receiving a tax exemption or deferral under this Chapter or Chapter 5.07 shall be annually assessed by the assessor in the same manner as if it were not exempt.

5.06.050 Review of exemptions.

Upon the failure of any person to fully and timely pay the taxes due as may be required by any ordinance or to provide reports or other information requested by the City, the assessor shall immediately revoke and not renew any exemptions or deferrals under this Chapter or Chapter 5.07 to which such person would otherwise be entitled and shall require immediate payment of the pro-rata share of taxes thereby due for any portion of the year remaining and any previously deferred taxes.

5.06.060 Emergency waiver.

The City reserves the right to grant or not to grant a tax exemption or deferral under circumstances beyond the scope of this Chapter or Chapter 5.07, or to waive any other requirement not mandated by state law. However, no such action or waiver shall be taken or made except upon a finding by the City that an extraordinary circumstance or emergency exists, and that such action or waiver is found and declared to be in the vital public interest.

5.06.070 Transfer of ownership or change of use – Penalty.

As of the date of any change in majority ownership, sale, or substantive change in use of any property subject to a tax exemption or deferral under this Chapter or Chapter 5.07, the City shall revoke such tax exemption or deferral and provide notice of the property taxes due (which taxes are due within 60 days of such notice). Any property owner who fails to notify the assessor of any such change in ownership, use or sale by the date of such change in ownership, use or sale shall be subject to a fine as set forth in Chapter 1.28.

5.06.080 Criteria.

Criteria for specific tax exemption and deferrals are set forth in Chapter 5.07, Property Tax Exemption and Deferral Criteria.

5.06.090 Appeals.

An applicant for exemption or deferral under Chapters 5.06 and 5.07 may appeal a determination of the City directly to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies or may first appeal to the Board of Equalization as provided by law.

Section 5. Cordova Municipal Code Chapter 5.07 “Property Tax Exemption and Deferral Criteria” is adopted to read as follows:

Chapter 5.07 PROPERTY TAX EXEMPTION AND DEFERRAL CRITERIA

Sections

- 5.07.010 Senior Citizen and Disabled Veteran Exemptions.
- 5.07.020 Non-Profit Exemption.
- 5.07.030 Low-Income Housing Exemption.
- 5.07.040 Temporary Subdivision Exemption.
- 5.07.050 Temporary Landscape Exemption.
- 5.07.060 Economic Development Property Exemption.
- 5.07.070 Leased exempt property – Taxes due.
- 5.07.080 Definitions.

5.07.010 Senior Citizen and Disabled Veteran Exemptions.

- A. The real property owned and occupied as the primary residence and permanent place of abode by a: (1) resident sixty-five years of age or older; (2) disabled veteran; or (3) resident at least sixty years old who is the widow or widower of a person who qualified for an exemption under subsection (A)(1) or (2) of this section, is exempt from taxation on the first one hundred fifty thousand dollars of the assessed value

of the real property. 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. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560—44.62.570.

- B. To be eligible for an exemption under subsection (A) of this section for a year, the individual applying for an exemption must also be eligible for a permanent fund dividend under AS 43.23.005 for that same year or for the immediately preceding year.
- C. An exemption may not be granted under subsection (A) of this section, except upon written application for the exemption on a form approved by the State Assessor. An applicant who qualifies for the exemption under this section need not file an application for successive tax years if there is no change in ownership, in residency or permanent place of abode, or other factor affecting qualification for the exemption. Applications must be filed no later than January 15 of the first year for which the exemption is sought. The City Council, for good cause shown, may authorize the assessor to accept as timely filed an application filed after January 15 and before May 1 of the assessment year for which the exemption is sought. An application received after May 1 will be accepted as an application for the following assessment year. If the application is filed within the required time and is approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. The assessor shall require proof in the form they consider necessary of the right to, and amount of an exemption claimed under subsection (B) of this section and shall require a disabled veteran claiming an exemption under subsection (B) of this section to provide evidence of the disability rating. The assessor may require proof under this subsection at any time.
- D. If property is occupied by a person other than the eligible applicant and his/her spouse and minor children, an exemption applies only to the portion of the property permanently occupied by the eligible applicant and his/her spouse and minor children as a permanent place of abode.
- E. It shall be the responsibility of every person who obtains an exemption under this section to notify the assessor of any change in ownership, residency, permanent place of abode or status of disability. A disabled veteran who has less than a permanent disability must submit an official disability percentage letter each year prior to January 15 showing a fifty percent or greater disability.

5.07.020 Non-Profit Exemption.

- A. Property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes is exempt from taxation under this Chapter.
- B. Property or a part of the property exempt under this section but from which rentals or income are derived is not exempt from taxation unless the income derived from the rentals does not exceed the actual cost to the owner of the use by the renter.
- C. An application for an exemption claimed under this section must include:
 - 1. Evidence of the applicant's nonprofit status;
 - 2. A detailed description of the applicant's planned or current use of the property;
 - 3. Records showing any rental or other income derived from the property and the comparative cost to the owner for such rental or use, to include: documentation of utility payments and other maintenance and financing costs associated with the rented space.
- D. A non-profit exemption claimed under this section may only be granted if the property for which the exemption is sought is in use for the purposes set forth in subsection (A) of this section as of January 1 of the year for which the exemption is claimed.
- E. The City Clerk and/or assessor shall require proof in the form they consider necessary of the right to, and amount of an exemption claimed under subsections (A) and (B) of this section.
- F. The City may require such proof under this subsection at any time to ensure ongoing compliance with the eligibility requirements of subsection (A) and (B). It shall be the responsibility of every person who

obtains an exemption under this section to notify the City of any change in use, ownership, or rental income.

- G. Applicants for the non-profit exemption must apply annually.

5.07.030 Low-Income Housing Exemption.

Interests other than record ownership in real property that has been developed, improved, or acquired with federal funds for low-income housing and is owned or managed as low-income housing by the Alaska Housing Finance Corporation under AS 18.55.100 - 18.55.960 or by a regional housing authority formed under AS 18.55.996 are exempt from City taxes as to the individual residing on the property. However, the corporation may make payments to the City for improvements, services, and facilities furnished by it for the benefit of a housing project, and this subsection does not prohibit the City from receiving those payments or any payments in lieu of taxes authorized under federal law.

5.07.040 Temporary Subdivision Exemption.

The portion of the increase in assessed value directly attributable to the subdivision of a single parcel of property into three or more parcels and any improvements made to the property necessitated by its subdivision is exempt from City taxes for up to five years. The exemption is terminated when a lot in the subdivision is sold, or a residential or commercial use is established on a lot in the subdivision.

5.07.050 Temporary Landscape Exemption.

- A. There is an exemption from taxation for the increase of assessed value that is directly attributable to landscaping, or new exterior maintenance or repair of an existing structure, and if the landscaping, exterior maintenance, or repair, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for landscaping as a consequence of construction activities. An exemption under this subsection continues for three years commencing with the year in which the exemption is approved by the assessor.
- B. An application for exemption under this subsection shall be filed with the assessor no later than March 1 of the year immediately following the year in which the landscaping, or exterior maintenance or repair of an existing structure, that is the subject of the application in whole or in part, may be appealed to the Board of Equalization, as provided in Section 5.06.090 of this Chapter.
- C. An exemption granted under this subsection expires at the end of three years and cannot be renewed. The granting of an exemption under this subsection does not affect changes in the assessed value of property that are attributable to causes other than the landscaping or exterior maintenance or repair of an existing structure that is the basis for the exemption. A reappraisal will be required prior to granting of a subsequent exemption.

5.07.060 Economic Development Property Exemption.

- A. The assessed value of property used for economic development, as defined in this Chapter, may be exempt from City property taxes or receive a deferral from City property taxes under the conditions listed in this section.
- B. "Property used for economic development" as used in this section, means that part of real or personal property, as determined by the assessor, that is being developed or redeveloped in a manner intended to result in an outcome that causes an increase in, or avoids a decrease of, economic activity, gross domestic product, or the City tax base in such a manner that City Council has determined an exemption or deferral from property tax is in the best interest of the Cordova community.
- C. Property used for economic development may be:
 - 1. Exempted from property taxes on up to one hundred percent of the assessed value of the property for a period determined by City Council and adopted by ordinance;

2. Deferred from payment of taxes for a period determined by City Council and adopted by ordinance; or
 3. Deferred from payment of property taxes until substantial completion of construction if a property owner is in the process of developing or building property used for economic development but has not yet completed construction on such property.
- D. City Council shall approve the economic development exemption and deferral application form, and any substantive changes to that application, by ordinance. The application shall specify the specific types of land use that causes an increase in or avoids a decrease of economic activity, gross domestic product, or City tax base in such a manner that an exemption or deferral from property tax is in the best interest of the Cordova community. The application shall specify the terms and conditions of an exemption or deferral. The approved application form and any changes to the form shall be published at least 30 days before taking effect. Except as otherwise provided in this section, an application under this section shall be processed in the same manner as all applications under this Chapter and Chapter 5.06.
- E. In addition to the application requirements and specifications adopted in the application itself or otherwise specified in this Chapter or Chapter 5.06, an applicant seeking a construction deferral must also submit a development plan to be approved by the city assessor. Upon construction of the economic development property satisfactory to the City, the City may change deferral under this subsection into an exemption which shall not exceed the remainder of the five-year period from the date the deferral was approved.
- F. If the property to be used for economic development is not developed or created within the time specified in the application, the City may immediately terminate the deferral and take any other action permitted by law including, but not limited to, collecting all property taxes accrued on the property during the construction deferral, collecting penalties and interest on the taxes owed from the date such taxes would have been due if no deferral had been granted, and attaching a tax lien to the property.

5.07.070 Leased exempt property – Taxes due.

When any real property exempt from taxation is leased, loaned, or otherwise made available to or used by a person, such person’s interest shall be taxable. Taxes shall be assessed to such person and collected in the same manner as taxes assessed to owners of real property, except that taxes assessed shall be a lien only on the interest of such person in the property. When due, taxes so assessed shall constitute a debt due from such person to the City and shall be recoverable by an action against such person. This remedy is available as an alternative to or as addition to the remedy of foreclosure of the interest of the person in the property.

5.07.080 Definitions.

In this Chapter:

- A. “Disabled veteran” means a disabled person:
1. 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 fifty percent or more by the branch of service in which that person served or by the veterans' administration; or
 2. Who served in the Alaska territorial guard, is a resident of the state, whose disability was incurred or aggravated in the line of duty while serving in the Alaska territorial guard, and whose disability has been rated as fifty percent or more;
- B. “Own and occupy” means:
1. Possession of an interest in real property, which interest is recorded in the office of the district recorder, or if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the assessor; and
 2. Living on that property as one’s primary residence;
- C. “Permanent place of abode” means a dwelling in which the person resides at least one hundred eighty-five days in the year prior to the exemption year and when absent, the dwelling is not leased or rented to another. This includes, but is not limited to, a mobile home or condominium and includes lots or outbuildings, or an appropriate portion thereof, which is necessary to convenient use of the dwelling unit;

- D. "Property used for economic development" as used in this section, means that part of real or personal property, as determined by the assessor, that is being developed or redeveloped in a manner intended to result in an outcome that causes an increase in, or avoids a decrease of, economic activity, gross domestic product, or the city tax base.
- E. "Resident" means an applicant who has a fixed habitation in the state of Alaska for at least one hundred eighty-five days per calendar year, and, when absent, intends to return to the state of Alaska;
- F. "Senior citizen" means one who is sixty-five years of age or older before January 1 of the exemption year.

Section 6. Section 1.28 "Minor Offense Schedule" is amended to add the following violations and fines:

CODE REF	CODE TITLE	FINE PER DAY
<u>5.06.020(F)</u>	<u>False application for exemption.</u>	<u>\$1,000</u>
<u>5.06.020(F)</u>	<u>False representation regarding tax exemption or deferral.</u>	<u>\$1,000</u>
<u>5.06.070</u>	<u>Failure to notify Assessor of change in ownership, use, or sale.</u>	<u>\$300.00</u>

Section 7. This ordinance shall be effective January 1, 2025, and in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska.

1st reading: June 5, 2024

2nd reading and public hearing: July 3, 2024

after substantial amendment on 7/3/24, another 2nd reading: August 7, 2024

PASSED AND APPROVED THIS 7th DAY OF AUGUST 2024.



[Handwritten Signature]

David Allison, Mayor

ATTEST:

[Handwritten Signature]

Susan Bourgeois, CMC, City Clerk