



11B2

Agenda Bill No.: 24-1375

Assembly Meeting Date: 04/09/24

Business Item Description:	Attachments:
Subject: Amending the Hardship Exemption Requirements	1. Ordinance 24-04-671 2. HBC 3.70.040(F)
Originator:	
Originating Department: Administration	
Date Submitted: 4/4/24	

Full Title/Motion:
Motion: Introduce Ordinance 24-04-673 and set it for it's first public hearing April 23rd and it's second public hearing May 14th.

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$	\$ 0	\$ 0	Unknown

Comprehensive Plan Consistency Review:
Comp Plan Goals/Objectives: Consistent: Yes No

Summary Statement:
HBC 3.70.040(F) provides for a Hardship Exemption for Seniors and Disabled Veterans who qualify for the "regular" Senior Exemption/Disabled Veterans exemption. This is one of the allowable exemption under State Law. When HBC 3.70.040(F) was adopted, the Haines Borough added a condition that the individual's net worth had to be under \$250,000 to qualify. This was a Haines Borough condition not a State of Alaska condition. Certainly the Haines Borough, as a home rule borough, had the power to impose its own conditions and similarly, has the power to strike it. By striking the additional condition, staff hopes that seniors who need additional assistance with property tax can obtain it (the Hardship exemption is on top of the "regular" \$150,000 exemption). This will provide relief for those seniors and disabled veterans who need it most. The remaining conditions are state imposed. The Ordinance has been reviewed by the Borough Attorney and he agrees that this is within the power of the Assembly to do.

Referral:
Referred to: Referral Date:
Recommendation: Meeting Date:

Assembly Action:
Meeting Date(s): 04/09/24 Public Hearing Date(s): 04/23/24, 05/11/24
Postponed to Date:

An Ordinance of the Haines Borough Assembly Amending Haines Borough Code Section 3.70.040(F) Local Exemptions and Exclusions- Hardship Exemption.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 3.70.040(F). Section 3.70.040(F) shall be amended as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED
~~STRIKETHROUGH~~ ITEMS ARE DELETED

3.70.040 Local exemptions and exclusions.

...

F. *Hardship Exemption*. That portion of the property tax levied on the residence of a qualified senior citizen or disabled veteran who applies for the exemption described in HBC 3.70.030(A)(6) and meets the standards set forth in 3 AAC 135.040(b) and (c), which exceeds two percent of their gross household income.

1. In order to qualify for this exemption, the applicant must:
 - a. Have gross family income, from all sources in the prior year, which does not exceed 135 percent of the poverty guideline as established by the United States Department of Health and Human Services for a similar sized household in the state of Alaska for the year requested;
 - b. Be eligible for a permanent fund dividend under AS 43.23.005 for the same year or for the immediately preceding year;
 - c. Not own more than one parcel of real property in Alaska on the date of application, excluding an adjacent parcel that is necessary for the use of the primary residence; and
 - d. ~~Have net worth as of the date of application of less than \$250,000 including the first \$150,000 of the market value of the principal residence of the applicant.~~

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Haines Borough
Ordinance No. 24-04-671
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Adopted by a duly constituted quorum of the Haines Borough Assembly this ____ day of April, 2024.

ATTEST:

Thomas C. Morphet, Mayor

Alekka Fullerton, MMC, Borough Clerk

Date Introduced: 04/09/24
Date of First Public Hearing: 04/23/24
Date of Second Public Hearing: 05/14/24

3.70.040 Local exemptions and exclusions.

...

F. *Hardship Exemption.* That portion of the property tax levied on the residence of a qualified senior citizen or disabled veteran who applies for the exemption described in HBC [3.70.030\(A\)\(6\)](#) and meets the standards set forth in [3 AAC 135.040\(b\)](#) and [\(c\)](#), which exceeds two percent of their gross household income.

1. In order to qualify for this exemption, the applicant must:
 - a. Have gross family income, from all sources in the prior year, which does not exceed 135 percent of the poverty guideline as established by the United States Department of Health and Human Services for a similar sized household in the state of Alaska for the year requested;
 - b. Be eligible for a permanent fund dividend under AS [43.23.005](#) for the same year or for the immediately preceding year;
 - c. Not own more than one parcel of real property in Alaska on the date of application, excluding an adjacent parcel that is necessary for the use of the primary residence; and
 - d. Have net worth as of the date of application of less than \$250,000 including the first \$150,000 of the market value of the principal residence of the applicant.
2. This exemption will be apportioned in the same manner and formula as applied to the standard senior citizen/disabled veteran exemption previously granted.
3. An exemption may not be granted under this subsection except upon written application for the exemption on a form provided by the borough assessor. The applicant must also submit an affidavit, supplied by the borough, attesting that the applicant meets the subscribed criteria. The assessor shall require proof, in the form the assessor considers necessary, of the right to and amount of an exemption claimed under this subsection, and shall require a disabled veteran claiming an exemption to provide evidence of disability rating. The assessor may require additional proof under this section at any time. If the applicant fails to respond to a request for additional proof, such failure may be considered by the assessor in determining whether to grant the exemption.
4. The claimant must file the application no later than March 31st of the assessment year for which the exemption is sought. The claimant must file a separate application for each assessment year in which the exemption is sought.
5. If an application is filed by the deadline, and approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. If the claimant has already

paid taxes for that year prior to approval of a timely application, the exempted tax amount shall be refunded to the claimant.

6. If an otherwise qualified claimant is unable to comply with the March 31st application filing deadline, the claimant may submit an application to the assessor's office for review by the assembly. If the claimant has submitted a valid application, the assembly may, by resolution, waive the claimant's failure to file the application by the March 31st deadline, and authorize the assessor to accept the application as if timely filed. For purposes of this subsection, an inability to comply must be caused by a serious medical condition of the applicant or member of the applicant's family, or an extraordinary event beyond the claimant's control. No late applications can be submitted after July 31st of the qualifying year. This section does not create any private rights whatsoever, nor does it in any manner require the assembly to introduce or adopt any such resolution.

7. Upon receipt of the completed application, any additional proof required, and affidavit, the borough assessor shall evaluate the request and grant or deny the hardship exemption within 15 borough business days. If denied, the borough assessor shall specify the reasons for the denial.

8. A person may appeal the apportionment of a hardship exemption granted under this chapter or a denial of an application to the board of equalization in accordance with HBC [3.72.100](#) through [3.72.120](#). (Ord. 23-09-657 § 5; Ord. 22-06-620 § 5; Ord. 22-05-619 § 4; Ord. 22-01-603 § 4; Ord. 19-04-532 § 4; Ord. 15-02-401 § 3; Ord. 14-02-370 § 4; Ord. 12-10-308 § 6; Ord. 12-09-304 § 4; Ord. 10-12-251 § 4; Ord. 10-09-238 § 4; Ord. 10-08-236 § 4; Ord. 10-02-223 § 4; Ord. 09-08-213 § 4; Ord. 09-05-207 § 4; Ord. 07-10-171; Ord. 05-11-131; Ord. 05-09-122; Ord. 04-09-083)