

ORDINANCE NO. 6115

AN ORDINANCE TO AMEND FAIRBANKS GENERAL CODE SEC. 74-34, RESIDENTIAL PROPERTY TAX EXEMPTION

WHEREAS, the Fairbanks North Star Borough (Borough) is proposing an amendment to Subsection I of FNSBC 8.04.060. *Real property exempted from taxation* to remove the provision that disallows the residential property tax exemption if the tax payer owes property taxes, penalties, or interest at the time of application for the exemption; and

WHEREAS, the proposed Borough ordinance contains the following "whereas" statement: Losing a residential property tax exemption adds to the financial burden of a tax payer and makes it more difficult to come current on taxes; and

WHEREAS, the Borough collects property taxes on behalf of the cities within the Borough (City of Fairbanks and City of North Pole); and

WHEREAS, if the Borough and the cities within the Borough do not have substantially similar property tax exemptions, it creates computer programming challenges for the Borough and makes collection of city property taxes more difficult and more expensive; and

WHEREAS, Fairbanks General Code Sec. 74-34 provides for a residential property tax exemption in the amount of \$20,000; the Borough's residential property tax exemption has the same terms and conditions as the City's but grants a greater exemption (\$50,000); and

WHEREAS, the City Council concurs with the Borough's reasoning for the change to its tax code and recognizes the need for continuity between the tax codes of the two entities.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1. Fairbanks General Code Sec. 74-34 is hereby amended as follows [new text in **bold/underline** font; deleted text in ~~strikethrough~~ font]:

Sec. 74-34. Residential property tax exemption.

(a) Residential real property within the city shall be exempt from property tax as set forth in AS 29.45.050(a), provided that:

- (1) The property is owned and occupied as a residence by the owners of record.

- (2) ~~There are no property taxes or penalties or interest owing at the time of application or on April 1 of each successive tax year after initial application.~~
- (3) The owners of record shall sign a real property exemption statement and file the statement with the borough assessor prior to April 1 of the tax year. The owners of record need not file such a statement for successive tax year if there is no change in ownership and no change in occupation as a residence by the owners of record.

(b) The maximum amount of the real property tax exemption provided for under AS 29.45.050(a) and this section shall be 20 percent of the assessed value, up to a maximum of \$20,000.00.

Section 2. That the effective date of this Ordinance shall be the 1st day of January 2020, contingent upon the adoption of an ordinance by the Fairbanks North Star Borough before January 1, 2020, that amends FNSBC 8.04.060 by deleting current subsection I.2.



Jim Matherly, City Mayor

AYES: Rogers, Gibson, Therrien, Pruhs, Kun
NAYS: None
ABSENT: Cleworth
ADOPTED: October 28, 2019

ATTEST:

APPROVED AS TO FORM:



D. Daniëlle Snider, CMC, City Clerk



Paul J. Ewers, City Attorney