

CODE ORDINANCE

Sponsored by: Assemblymember Gamble

Introduced:

Public Hearing:

Action:

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 25-084**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ADOPTING MSB 3.15.037(E) TO ALLOW FOR PRORATED SENIOR AND DISABLED VETERAN RESIDENTIAL REAL PROPERTY TAX EXEMPTION WHEN A QUALIFYING INDIVIDUAL MOVES THEIR PERMANENT RESIDENCE MID-YEAR, AND SUBMITTING THE QUESTION TO THE VOTERS.

WHEREAS, State law currently mandates a residential real property tax exemption of the first \$150,000 of assessed value to senior citizens over age 65, disabled veterans, and their surviving spouses at least 60 years old; and

WHEREAS, AS 29.45.050(i) allows the Matanuska-Susitna Borough to increase the tax exemption; and

WHEREAS, an additional tax exemption must be granted by the Assembly by ordinance; and

WHEREAS, an additional tax exemption must also be approved by the voters; and

WHEREAS, currently, senior citizens over age 65, disabled veterans, and the their surviving spouses at least 60 years old, enjoy an exemption in an amount of \$279,720 of assessed value; and

WHEREAS, the intent of this ordinance is to grant a prorated exemption to senior citizens over age 65, disabled veterans, and their surviving spouses at least 60 years old from paying taxes on the value of an average home from the point of purchase and

occupancy of a home after January 1 of a year, through the remainder of the year; and

WHEREAS, this ordinance will enact an optional real property tax exemption in the total amount allowed under MSB 3.15.030(B) and MSB 3.15.037 qualifying for senior citizens over age 65, disabled veterans, and their surviving spouses at least 60 years old prorated from the date the qualifying individual purchases and moves into their residence, through the remainder of the calendar year; and

WHEREAS, home ownership is beneficial to a community because it promotes stability, a sense of commitment to the community, civic responsibility, and financial independence; and

WHEREAS, tax exemptions for primary residences promote the stability and welfare of the Borough by encouraging property ownership and independence on the part of the people and by preserving a home where the family may be sheltered and live beyond the reach of economic misfortune; and

WHEREAS, during the recent economic downturn, there was a dramatic increase in foreclosures and loss of homes nationwide due to economic hard times; and

WHEREAS, loss of home ownership has negative social and community consequences; and

WHEREAS, granting the additional tax exemption as proposed here will encourage and preserve home ownership and all the

positive attributes which accompany it; and

WHEREAS, for people with fixed incomes or low incomes, the optional tax exemption proposed here will grant some measure of economic relief and help them stay in their homes; and

WHEREAS, the intent of this ordinance is to allow qualified individuals to receive a prorated time adjusted exemption when moving to a new home mid-year; and

WHEREAS, additional intent and rationale of this ordinance is provided in Informational Memorandum 25-157.

BE IT ENACTED:

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

Section 2. Amendment of section. Subsection MSB 3.15.037(E) is hereby adopted to read as follows:

(E) From the date a property is purchased and occupied to the end of the calendar year, a person otherwise eligible for an exemption under subsections (A) through (D) shall be eligible for a prorated time-adjusted amount for a portion of the total exemption for which the person would be otherwise eligible under AS 29.45.030(e), MSB 3.15.030(B), and this section. No exemption under this subsection may be granted except upon written application on a form provided by the assessor. The owner of record must file the application for this exemption no later than December 31 of the year for which the exemption

is sought.

Section 3. Submission to voters. The clerk shall submit the following question to the qualified voters of the Matanuska-Susitna Borough at the regular election on November 4, 2025:

Proposition No. 1
PRORATED SENIOR DISABLED VETERAN
RESIDENTIAL PROPERTY TAX EXEMPTION

The Matanuska-Susitna Borough provides a residential real property tax exemption to qualifying seniors, disabled veterans, and surviving spouses of each. A qualifying individual must own the property on January 1 to receive the tax exemption allowed under Borough code.

The Matanuska-Susitna Borough proposes to enact MSB 3.15.037(E) to allow for a prorated exemption. Under this prorated exemption, a qualifying individual who owns and occupies new property after January 1 and qualifies for the exemption will be able to receive a prorated tax exemption for the remainder of that year.

Should this ordinance become law?

YES ☐

NO ☐

Section 4. Effective date. Section 2 of this ordinance shall take effect on January 1, 2026, only if the question in Section 3 is approved by a majority of the qualified voters voting on the question at the Matanuska-Susitna Borough regular election on November 4, 2025. All other sections take effect immediately.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of -, 2025.

EDNA DeVRIES, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)