

SUBJECT: 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.

AGENDA OF: July 15, 2025

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Introduce and set for public hearing.

Route To	Signatures
Originator	<div>7 / 2 / 2 0 2 5</div> <div>X N S for Assym Gamble</div> <div>Signed by: Nicholas Spiropoulos</div>
Department Director	<div>7 / 2 / 2 0 2 5</div> <div>X N S</div> <div>Signed by: Nicholas Spiropoulos</div>
Finance Director	<div> Recoverable Signature</div> <div>X Cheyenne Heindel</div> <div>Signed by: Cheyenne Heindel</div>
Borough Attorney	<div>7 / 2 / 2 0 2 5</div> <div>X Nicholas Spiropoulos</div> <div>Signed by: Nicholas Spiropoulos</div>
Borough Manager	<div>7 / 2 / 2 0 2 5</div> <div>X Michael Brown</div> <div>Signed by: Mike Brown</div>
Borough Clerk	<div> Recoverable Signature</div> <div>X Lonnie McKechnie</div> <div>Signed by: Lonnie McKechnie</div>

ATTACHMENT (S) : Ordinance Serial No. 25-084 (5 pp)
Fiscal Note (1 pp)

SUMMARY STATEMENT: This ordinance is sponsored by Assemblymember Gamble to allow a qualifying senior/disabled veteran/surviving spouse a prorated real property tax exemption to apply in situations where someone moves their residence during a calendar year.

AS 29.45.030(e) mandates a real property tax exemption of the first \$150,000 in assessed value of a primary residence owned and occupied by a senior citizen, disabled veteran, or surviving spouse

of each. In addition, AS 29.45.050(i) allows the Matanuska-Susitna Borough to increase the exemption if approved by the voters. The Matanuska-Susitna Borough has done so previously and the combined exemption under MSB 3.15.030(B) and MSB 3.15.037 currently is \$279,720 of assessed value.

However, under these exemptions, they are only available to a qualifying individual if they owned the property as of January 1 of the calendar year in which they seek the exemption. This means a qualifying senior/disabled veteran/surviving spouse who moves residences mid-year can face a higher tax bill for the remainder of that year. The ordinance proposed here will grant relief under that scenario.

MSB 3.15.037(E) is intended to enable a qualifying property owner who purchases real property after January 1 of a tax year to be eligible for the tax exemption on a prorated time adjusted basis for that portion of the year from purchase and occupancy to the end of the year. This will allow qualifying people to move and continue to receive the benefit to which they were otherwise entitled. In another sense, they get to take their exemption with them.

For example, if a qualifying individual buys and then occupies a new home as of March 22, then they would be able to get the tax exemption from March 22 through the remainder of the year.

MSB 3.15.037(E) as proposed here is an expansion of the optional exemption as allowed under state law. This amendment does not change the assessment of real property in any way. Since AS 29.45.050(i) would theoretically allow an exemption for 100% of the value of property, the application of the exemption to a date after January 1 is permissible if approved by the voters.

Finally, it is critical to note that nothing in this ordinance changes, or is intended to change, the qualifications the exemption.


RECOMMENDATION OF ADMINISTRATION: Consider ordinance and place the question before the voters.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: July 15, 2025

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ADOPTING A 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.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED *	FUNDING SOURCE Property Tax Revenue
FROM ACCOUNT # xxx.xxx.xxx.3xx.xxx	PROJECT
TO ACCOUNT:	PROJECT #
VERIFIED BY:  Recoverable Signature X Liesel Zanto Signed by: Liesel Willard	

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE		*				
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FUNDING:


(Thousands of Dollars)

General Fund		*				
State/Federal Funds						
Other		*				
TOTAL		*				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) *Actual amount depends on eligibility and assessed tax values, as well as approved exemption value.

APPROVED BY:	 Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel
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IM 25-157
OR 25-084