

Presented by: The Manager
Introduced:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-23

An Ordinance Providing for a Property Tax Abatement Program to Incentivize the Development of Assisted Living for Senior Citizens.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

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

Section 2. Amendment of Section. CBJC 69.10.020 Property exempt, is amended by adding a new subsection to read:

69.10.020 Property exempt.

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(12) Economic development property consistent with CBJC 69.10.023.

Section 3. Amendment of Chapter. Chapter 69.10 Real and Personal Property Tax, is amended by adding a new section to read:

69.10.023 Property tax incentives for economic development property.

(a) *Purpose.* This section authorizes property tax exemptions for the following on a property that meets the definition of economic development property in A.S. 29.45.050(m):

(1) At least fifteen new residential units of assisted living for senior citizens. The term residential units includes the assisted living residential units for senior citizens and only those

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2 building spaces that are necessary and incidental to the assisted living of senior citizens that
3 qualify for inclusion in the exemption like common space, support space, and shared facilities. A
4 residential unit qualifies for the exemption even if a non-senior citizen resides in the unit with a
5 senior citizen.

6 (b) *Location.* The property is located entirely within the urban service area as defined by Title
7 49.

8 (c) *Exclusions.* Repair and rehabilitation property as defined in CBJC 69.10.025 for which an
9 exemption application has been filed or granted is not eligible for this housing tax incentive.

10 Submission of an application for exemption pursuant to this section shall automatically
11 terminate any existing CBJC 69.10.025 application or designation for the property.

12 (d) *Application.* An application for an exemption under this section shall be made in writing to
13 the Assessor's Office prior to issuance of a building permit for the residential units. Applications
14 made after issuance of a building permit for the residential units shall not be accepted, or
15 rejected if accepted. The application shall at a minimum contain the following:

16 (1) *Name.* The name of the applicant;

17 (2) *Address.* The legal description and street address of the property for which the
18 application is made;

19 (3) *New residential units.* Drawings of the residential units that the applicant will
20 construct, including a floor plan that includes approximate square footages;

21 (4) *Existing structures.* Drawings showing the square footage of all existing structures
22 and structures to be constructed on the property;

23 (5) *Increase in residential units.* Plans showing the construction will increase the total
24 number of residential units on the property;

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2 (6) *Acknowledgement of liability.* Applicant acknowledges that the residential units will
3 be taxable if and when the residential units are no longer eligible for tax exemption under this
4 section; and

5 (7) *Economic development property justification.* A narrative describing how the
6 application qualifies as economic development property consistent with A.S. 29.45.050(m).

7 (8) *Other information.* Other information as may be required by the Assessor.

8 (e) *Provisional approval.* The Assessor shall provisionally approve an application for tax
9 exemption if

10 (1) The applicant submitted a complete application; and

11 (2) The applicant acknowledges it must

12 (i) Construct not less than the required residential units in accordance with the
13 plans and drawings submitted with its application, and

14 (ii) Increase the total number of residential units on the property in order to
15 receive final approval under this section.

16 (f) *Final approval of exemption.* The Assessor shall finally approve an application for tax
17 exemption if

18 (1) The applicant has completed construction of residential units in accordance with the
19 plans and drawings submitted with its application and a Certificate of Occupancy has been
20 issued pursuant to Title 19 for each structure that contains a residential unit described in the
21 application, and

22 (2) The total number of residential units on the property has increased.

23 (g) *Magnitude of exemption.* Consistent with this subsection, the total potential exemption
24 shall not reduce the amount of taxes below the amount levied on other property for the school

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2 district's required local contribution under A.S. 14.17.410(b)(2). The taxes eligible for exemption
3 under this section are those attributable only to the newly constructed residential units
4 exclusive of previously existing residential units (whether remodeled or not), all non-residential
5 improvements, and land. Except as provided by subsection (m), the magnitude of exemption
6 shall be determined on a spatial basis as follows: the square footage of the newly constructed
7 residential units shall be divided by the square footage of all structures on the property, then
8 multiplied by the assessed value of all improvements on the property and by the mill rate
9 applicable to the property.

10 (h) *Duration of tax exemption.* Tax exemptions approved under this section shall be for a period
11 of twelve consecutive years beginning on January 1 of the first full calendar year after final
12 approval of the application.

13 (i) *Recording of exemption.* The Assessor shall memorialize the terms of an exemption granted
14 under this section in a memorandum recorded in the Juneau Recording District and kept on file
15 in the Assessor's Office.

16 (j) *Termination of exemption upon reduction in number of residential units.* An exemption
17 granted under this section shall terminate immediately if and when the number of residential
18 units on the property is less than the number existing at the time of final approval of the
19 application under this section. An exemption granted under this section does not terminate if
20 the property or residential unit is sold and the new owner continues to comply with this section.

21 (k) *Appeal.* Any decision of the Assessor under this section may be appealed to the assembly in
22 accordance with CBJC 01.50.
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2 (l) *Annual compliance and status report.* Not later than March 31 of each year, the owner of
3 the property for which an exemption has been granted, shall file with the Assessor a report with
4 the following information:

5 (1) *Occupancy.* A statement of occupancy and vacancy of the residential units for the
6 prior twelve (12) months;

7 (2) *Residential units remain as described.* A certification that the newly constructed
8 residential units described in the application continue to exist and have not been converted to a
9 non-residential use;

10 (3) *Further changes.* A description of physical changes or other improvements
11 constructed since the last report or, on first report, since the filing of the application; and

12 (4) *Additional information.* Any additional information requested by the Assessor.

13 (m) *Late-file penalty.* The failure for the owner to file the annual compliance and status report
14 by March 31 shall result in ten percent reduction of the taxes exempted in the prior year.

15 (n) *Definitions.* In this section, the following definitions apply:

16 *Previously exempt property* means real or personal property exempt under CBJC Title 69 in the
17 prior calendar year but taxable in the next calendar year.

18 *Residential unit* means a dwelling unit as defined by CBJC 49.80.120 and is either owner-
19 occupied or only leased for periods of at least one month.

20 *Senior citizen* means a person who is (1) Sixty-five years or older; or (2) at least 60 years of age
21 and the widow or widower of a senior citizen who qualified for an exemption under AS
22 29.45.030(e) and CBJC 69.10.020(1)(A)(i) and (ii).

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2 *Widow or widower* means a person whose spouse has died and who has not remarried.

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4 *Assisted living* means a facility providing housing and institutional care for people unable to live
5 independently or without assistance. Assisted living includes facilities that provide nursing care
6 services.

7 **Section 4. Effective Date.** This ordinance shall be effective 30 days after its adoption.

8 Adopted this _____ day of _____, 2019.

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Beth A. Weldon, Mayor

11 Attest:

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13 Elizabeth J. McEwen, Municipal Clerk
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