

**PETERSBURG BOROUGH
ORDINANCE #2017-12**

**AN ORDINANCE AMENDING SECTION 4.24.050 OF THE PETERSBURG
BOROUGH CODE RELATING TO PROPERTY TAX EXEMPTIONS, TO INCLUDE
THE STATE OF ALASKA OPTIONAL EXEMPTION FOR APPROVED FIRE
PROTECTION SYSTEMS, AND DIRECTING THAT THE AMENDMENT BE
SUBMITTED TO THE VOTERS OF THE BOROUGH**

WHEREAS, on June 12, 2017 the Governor signed into law Senate Bill 100 which included a provision that converted the mandatory municipal tax exemption for a fire protection system, equal to two percent (2%) of the assessed value of a qualifying structure (subject to certain limitations), to an optional municipal tax exemption.

WHEREAS, the Petersburg Borough Charter Section 12.03 states that "Any exemption from taxation, other than those required by law, shall be by ordinance ratified by a majority of the qualified voters voting on the question.

WHEREAS, if the optional exemption is not approved by the voters, previously qualifying structures will no longer receive this exemption.

WHEREAS, in 2017, the total exempted assessed value of qualifying structures within the Borough was \$283,797, which, at the 2017 mill rate of 11.60, would equal a total tax exemption of \$3,292 for all structures.

WHEREAS, it is advantageous to the Borough for structures to have fire suppression systems.

THEREFORE THE PETERSBURG BOROUGH ORDAINS, existing Chapter 4.24, Property Tax, is hereby amended as follows:

Section 1. Classification: This ordinance is of a permanent nature and the amendment set out herein shall be codified in the Petersburg Borough Code upon ratification by the voters of the Borough.

Section 2. Purpose: The purpose of this ordinance is to amend, subject to voter ratification, section 4.24.050 of the Borough Code relating to property tax exemptions, by adding a proposed new exemption for structures containing fire protection systems, and to direct that the question be submitted to the voters of the borough for ratification.

Section 3. Substantive Provisions: The Petersburg Borough Code, **Section 4.24.050, Exemptions**, shall be amended by adding a new subparagraph 1(E) to read as follows:

E. Two percent of the assessed value of a structure if the structure contains a fire protection system that is approved under AS 18.70.081, in operating condition, and incorporated as a fixture or part of the structure. An exemption under this subsection is limited to an amount that does not exceed two percent of the value of the structure based on the assessment (1) for 1981, if the fire protection system was a fixture of the structure on January 1, 1981; or (2) as of January 1 of the year immediately following the installation of the fire protection system, if the fire protection system became a fixture of the structure after January 1, 1981.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Submission to Voters:

A. In accordance with subsection 12.03 of the Borough Charter, the Borough Clerk shall submit the exemption set out in Section 3, as a single proposition, to the voters of the borough at the next regular election to be held on October 3, 2017.

B. The proposition to be submitted to the voters shall read substantially as follows:

Proposition #__

To provide a qualified exemption from municipal real property taxation for structures containing approved fire protection systems (Ordinance #2017-____)

Shall two percent (2%) of the assessed value of structures containing approved fire protection systems be exempt from municipal real property taxation?

An exemption under this provision would be limited to an amount that does not exceed two percent of the value of the structure based on the assessment (1) for 1981, if the fire protection system was a fixture of the structure on January 1, 1981; or (2) as of January 1 of the year immediately following the installation of the fire protection system, if the fire protection system became a fixture of the structure after January 1, 1981.

- Yes
- No

Section 6. Effective Date: The amendment set forth in this ordinance, if ratified (approved) by the majority of the qualified voters of the borough voting on the question, shall be effective as of January 1, 2018.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 7th day of August, 2017.

Cynthia Lagoudakis, Mayor

ATTEST:

Debra Thompson, Borough Clerk

Adopted:
Published:
Effective: Upon Adoption