



Legislation Text

File #: 20-0092, Version: 1

ITEM TITLE:

Approval of Senior Citizen Hardship Property Tax Exemption for Barbara Ezell

SUBMITTED BY: Allie Ferko, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve senior citizen hardship property tax exemption for Barbara Ezell

SUMMARY STATEMENT:

The City Clerk's office received an application for the Senior Citizen Hardship Property Tax Exemption Program from Barbara Ezell.

In accordance with AS 29.45.030(2) and 3AAC 135.040, a municipality may, in case of hardship, provide for an exemption beyond the mandatory Senior Citizen & Disabled Veteran Property Tax Exemption. (Adopted by reference in Valdez Municipal Code 3.12.030.3 & 3.12.030.3a)

The **mandatory** exemption provides that the first \$150,000 of the assessed value of real property owned and occupied by the following is exempt from property taxes:

- A senior citizen 65 years of age or older.
- A disabled veteran with a disability rating of 50% above.
- A resident at least 60 years of age who is the widow/widower of a previously qualified applicant is exempt from property taxes.

To qualify for the mandatory exemption, the real property must also be the applicant's primary residence and permanent place of abode. Both state statute and municipal code require an annual application from the eligible citizen to receive the mandatory exemption. The mandatory exemption does not require City Council action if the citizen meets eligibility requirements and applies prior to the January 15th deadline.

Senior Citizen & Disabled Veteran **Hardship** Property Tax Exemption Program applications must be

submitted each year, but are required to be reviewed and approved by City Council. Individuals are only eligible to apply for the hardship exemption if they first qualify for the mandatory exemption.

Furthermore, **to qualify for the hardship exemption, the amount of the applicant's tax bill must be greater than two percent of the applicant's annual gross household income (AGHI).**

"Hardship" exists when the amount of the property taxes owed is in excess of two percent of an applicant's AGHI. "Gross household income" means total annual compensation, earned and unearned, from all sources including social security and the permanent fund dividend of all members of the household. The **hardship exemption is granted only for that portion of the applicant's property taxes in excess of two percent of the AGHI.**

Ms. Ezell's application meets the criteria set forth in AS 29.45.030 and 3AAC 135.040. Ms. Ezell submitted appropriate IRS documentation with her application as required. That information is on file in the City Clerk's office and verifies her 2019 AGHI is \$33,038.

Please find a spreadsheet attached with calculations related to her application, which includes assessed property value, exemptions, AGHI, and allowable hardship exemption amounts.

Please note, Ms. Ezell has received the senior citizen hardship property tax exemption every year since 2003.