

MEMORANDUM



DATE: September 7, 2022
TO: Assembly Finance Committee
FROM: Jeff Rogers, Finance Director
SUBJECT: **Glory Hall 2022 Property Taxes**

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CBJ's property tax exemption for community purpose non-profit organizations only applies to properties that are being used actively for that purpose. If a non-profit organization owns vacant land or vacant buildings not in use for their community purpose, those property parcels remain taxable.

Such is the case with the Glory Hall in 2022. The Assessor determines exemption eligibility based on the use of a property on January 1 each year. On January 1, 2022, the Glory Hall's former shelter on South Franklin was publicly listed for sale, and by all appearances, it was vacant and unused. As such, the Assessor determined that the building was not being used actively for the Glory Hall's non-profit community purpose, and deemed the parcel taxable.

Glory Hall staff have since confirmed that the building was being *partially* used for its non-profit community purpose on January 1. However, partial use would likely result in a determination that the building was only partially exempt and the majority would remain taxable.

This is a difficult situation. The Assembly significantly supports the sheltering activities of the Glory Hall with grant funds. If the Glory Hall pays this unanticipated CBJ tax burden, they would just be returning granted funds to the grantor, which effectively reduces the amount available for them to spend on their sheltering operations.

Staff recommend that the Glory Hall pay the taxes due on the South Franklin property, and that the Assembly simply grant an equivalent amount of funds to the Glory Hall. Admittedly, this may feel like an obtuse solution, but it is the only practical way to keep the Glory Hall whole. CBJ code prevents full exemption of the building. Property taxes due for 2022 for the Glory Hall building on South Franklin are \$12,253.50.

Staff have drafted an appropriation to this effect, and if so directed by the Assembly Finance Committee, it will be introduced at the next Assembly meeting.