

1st Reading: May 9, 2022
2nd Reading: May 23, 2022

Presented By:
City Manager

Action Taken:
Yes____
No____
Abstain____

ORDINANCE NO. O-22-05-01 (S)

AN ORDINANCE OF THE NOME CITY COUNCIL, NOME, ALASKA, AMENDING THE NOME CODE OF ORDINANCES, SECTION 17.20.020 TO PROVIDE FOR A TEMPORARY EXEMPTION FROM PROPERTY TAX FOR DETERIORATED STRUCTURES LOCATED IN A DESIGNATED AREA OF NOME THAT ARE BEING SUBSTANTIALLY REHABILITATED, RENOVATED, AND REPLACED.

WHEREAS, there is an increasing need to increase the supply of residential housing in the City; and

WHEREAS, there are a significant number of dilapidated, deteriorated or abandoned structures in the City which, if repaired, replaced or renovated could increase the supply of residential housing and ;

WHEREAS, it is in the public interest to provide an economic incentive for rehabilitation or renovation of deteriorated structures in the form of a temporary exemption from property taxation and;

WHEREAS, such an exemption is authorized by Alaska Statute section 29.45.050(o) if adopted by ordinance.

THEREFORE, BE IT ORDAINED by the Nome City Council as follows:

Section 1. Classification: This is a Code ordinance.

Section 2. Amendment of NCO § 17.20.020(a). Section 17.20.020(a) of the Code of Ordinances of Nome, Alaska, is hereby amended by adding a new subsection to read as follows:

(11) Restoration or replacement of deteriorated property. The assessed value of a real property is, subject to subsection (a)(11)(a)., exempt from taxation for the duration set out in subsection (a)(11)(c), beginning in the year following approval by the assessor, or the assessor's designee, of an application demonstrating that the eligibility criteria set out in subsection (a)(11)(a) have been met.

a. Eligibility criteria. A property owner qualifying for the exemption set out in subsection (a)(11) shall:

- i. Own real property at least partially comprised of an existing building that:
 - a. is located in the Deteriorated Area of the City; and
 - b. has been included on a list of deteriorated nuisance structures

maintained by the City; or

c. has been determined by the Building Inspector to meet written criteria to be developed by the Building Inspector and approved by the city council for qualification as a deteriorated structure provided the determination of the Building Inspector has been approved by the city manager; and

ii. Have received all building and land use permits necessary to restore the building or to remove and replace the building with a new building to be used as rental residential housing which meets the requirements for an exception from sales tax under section 17.10.020(e) of this code, is generally available to all members of the public and which upon completion will increase the supply of property rented for continuous periods in excess of twenty-seven days ; and

iii. Submit a qualifying application to the assessor or the assessor's designee prior to beginning work to restore or remove and replace the existing building.

b. Exclusions. Restoration, replacement or construction of the following buildings does not create eligibility for this tax exemption:

i. Temporary or seasonal use structures.

ii. Owner occupied structures.

c. Duration of exemption. The tax exemption granted by subsection shall be for ten years.

d. Taxes due if exemption expires or is revoked. An exemption granted under subsection (a)(ii) shall expire and taxes previously exempted by operation of subsection (a)(ii) shall become due and payable if:

i. By the third December 31 following application approval, a certificate of occupancy or conditional certificate of occupancy under section 5.10.060 of this code, has not been issued for a restored or new building on the real property, constructed in accordance with all applicable building and land use permits; or

ii. A building or land use permit submitted with the application expires or is revoked and no restoration or replacement permit is obtained, and a copy submitted to the assessor or the assessor's designee within 360 days; or

iii. A new or renovated building for which the application was granted is not being occupied in a manner that meets the exemption criteria of section (a)(ii); or

iv. The exemption is revoked.

e. Application procedure. Applicants for the tax exemption authorized in subsection (a)(ii) shall submit an application no later than February 1st of each assessment year for which the exemption is sought, on a form specified by the assessor or the assessor's designee, containing:

i. The legal description and parcel number designation of the real property for which the exemption is being sought,

ii. The assessed value and age of all buildings on the real property, and the estimated value of each separate building when there are multiple buildings,

iii. A copy of all building and land use permits obtained to restore or remove and replace an existing building on the real property, and

iv. An agreement and acknowledgement that taxes exempted upon approval of the application will become due and payable if by the third December 31 following approval of the application, a certificate of occupancy or conditional certificate of occupancy, has not

been issued for a restored or new building on the real property, constructed in accordance with all applicable building and land use permits, and is not being used as a primary residence.

v. Such other information as the assessor may require.

f. Revocation of exemption. An exemption granted under this subsection may be revoked if, at any time during the exemption period, the property for which the exemption was granted is no longer being used in a manner that meets the exemption criteria of section (a)(ii).

g. Appeal of revocation or expiration. Section 17.20.050 applies to determinations an exemption has expired and to determinations revoking an exemption.

h. Definitions. For purposes of this exemption the Deteriorated Area of the City consists of all property within city boundaries.

Section 3. Effective Date. This ordinance becomes effective immediately upon adoption, however the earliest tax year for which a property may qualify for an exemption is the tax year commencing January 1, 2023.

APPROVED and SIGNED this 23rd day of May, 2022.

John Handeland
Mayor

ATTEST:

Bryant Hammond
City Clerk