

CITY OF KENAI PROPOSITION SUMMARY

PROPOSITION NO. 2026-C RESIDENTIAL PROPERTY TAX EXEMPTION

(Ordinance No. 3542-2026)

Enacting Kenai Municipal Code to Establish a Residential Property Tax Exemption in the amount of \$75,000.

Proposition No. 2026-C: This proposition would enact a new section of Kenai Municipal Code establishing a residential property tax exemption of \$75,000.

Proposed Code Enactment:

7.05.031 - Residential Property Tax Exemption

The first \$75,000 of assessed valuation of a single parcel of residential real property, owned, or partly owned and occupied as a primary residence and permanent place of abode by a City resident, may be eligible for this residential real property exemption from the City's tax levy on real property within the City of Kenai. Only City residents that apply for and receive the Kenai Peninsula Borough's residential real property tax exemption under the Borough's code of ordinances as now enacted or amended in the future, will receive the City's residential property tax exemption. The Borough Assessor's determination of whether property in the City qualifies for the Borough's residential real property tax exemption will be determinative of whether the property qualifies for the exemption under the City's code of ordinances.

Implementation Date: If approved by the voters at the November 3, 2026, City of Kenai election, Kenai Municipal Code Section 7.05.031 - Residential Property Tax Exemption will be in effect on January 1, 2027, for Fiscal Year 2028.

Fiscal Impact: Eligible property owners could see up to a \$326.26 reduction in their annual property tax liability due to a portion of their permanent place of residence assessed value being exempt from taxation. If approved, an estimated 1,421 property owners may be eligible, resulting in the exemption of \$99,743,700 in property from taxation and reducing the City of Kenai's real property tax revenue by \$433,885 annually based on the City's currently adopted mill rate of 4.35.

Summary of Amendment: If approved, the first \$75,000 assessed value of qualifying residential real property would be exempt from municipal property taxes, reducing the taxable assessed value of eligible residence by \$75,000.

Ballot Language

PROPOSITION NO. 2026-C RESIDENTIAL PROPERTY TAX EXEMPTION

Enacting Kenai Municipal Code to Establish a Residential Property Tax Exemption in the amount of \$75,000.

Shall Ordinance No 3542-2026 enacting Kenai Municipal Code Section 7.05.031 - Residential Property Tax Exemption, be ratified to establish a residential real property tax exemption of \$75,000.

YES A "YES" vote means you approve enacting Kenai Municipal Code 7.05.031 to establish a residential real property tax exemption of \$75,000.

NO A "NO" vote means you oppose enacting Kenai Municipal Code 7.05.031 to establish a residential real property tax exemption of \$75,000.