

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2020-02

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES § 6.28.030, REQUIRED EXEMPTIONS, TO DEFINE EXEMPT VESSELS AND TO RENAME AND REORGANIZE THE CODE SECTION

WHEREAS, the property tax exemption for vessels is not intended to apply to permanently docked or moored vessels; and

WHEREAS, the title of the code section is more accurate if labeled “Exemptions” rather than “Required Exemptions”; and

WHEREAS, § 6.28.030 has been amended from time to time; and

WHEREAS, owing to periodic amendments, the structure of the section has become unnecessarily complex; and

WHEREAS, a clear restatement of the exemptions and the rules pertaining to them is desirable.

BE IT ENACTED by the Unalaska City Council:

Section 1: Form. This is a Code ordinance.

Section 2: Effective Date. This ordinance becomes effective upon adoption.

Section 3: Repeal and Reenactment of UCO § 6.28.030. Unalaska Code of Ordinances § 6.28.030 is hereby repealed and replaced with a new § 6.28.030 to read as follows:

**§ 6.28.030 EXEMPTIONS.**

(A) The following is exempt from general property taxation:

- (1) Municipal, state or federally owned property, except that a private leasehold, contract or other interest in property is taxable to the extent of the interest.
- (2) Household furniture and personal effects of members of a household.
- (3) Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes.
- (4) Property of a nonbusiness organization or its auxiliary composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable.
- (5) Money on deposit.

- (6) The first \$150,000 of the assessed value of the real property owned and occupied as a permanent place of abode by (a) a resident 65 years of age or over; (b) a disabled veteran; (c) a resident at least 60 years old who is the widow or widower of a person who qualified for an exemption under (a) or (b) of this subsection. In a case of hardship, the City of Unalaska hereby provides for exemption beyond the first \$150,000 of assessed value in accordance with regulations of the State of Alaska.
- (7) Real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended.
- (8) The increase in assessed value directly attributable to the subdivision of a single parcel of property into three or more parcels and completion of the construction of any improvements made to the property by the property owner necessitated by its subdivision. This exemption shall commence no earlier than the first assessment year after subdivision and shall expire for each individual lot upon the earlier of:
  - (a) Sale, leasing or rental of the lot; or
  - (b) Construction or placement of any structure upon the lot; or
  - (c) Use of the lot for any occupation, employment, or enterprise that is carried on for profit; or
  - (d) The end of the fifth assessment year following subdivision.
- (9) One motor vehicle per household owned by a resident who is 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. An exemption may be granted under this subsection only on written application on a form prescribed by the Alaska Department of Administration.
- (10) Commercial and non-commercial vessels.
- (11) All other property exempt from general taxation under AS 29.45.030.
- (12) The first \$10,000 of the assessed value of the real property owned and occupied as a permanent place of abode by a resident who provides in the City volunteer (a) firefighting services and is certified as a fire fighter by the Alaska Department of Public Safety, or (b) emergency medical services and is certified under AS 18.08.082.
- (13) The first \$30,000 of the full and true value of all personal property is tax exempt.
- (14) 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, based on the assessment:

- (a) for 1981, if the fire protection system was a fixture of the structure on January 1, 1981; or
  - (b) 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.
- (B) In subsection (A)(3) of this section, property used exclusively for religious purposes includes the following property owned by a religious organization:
  - (1) The residence of a bishop, pastor, priest, rabbi, minister, or religious order of a recognized religious organization;
  - (2) A structure, its furniture, and fixtures used by the religious organization solely for public worship, charitable purposes, religious administrative offices, religious education, or a nonprofit hospital; and
  - (3) Real property occupied by parking spaces required by local ordinance to be adjacent to or near a structure described in subsection (2), above, and owned by the religious organization owning said structure.
- (C) Property described in subsections (A)(3) or (4) of this section from which income is derived is exempt only if that income is solely from use of the property by qualified nonprofit religious, charitable, hospital, educational groups, or veteran groups. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.
- (D) For the purposes of (A)(6) and (A)(12) of this section:
  - (1) Real property includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.
  - (2) "Disabled Veteran" means a disabled person separated from the military service of the United States under a condition that is not dishonorable who is a resident of the State, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50% or more by the branch of service in which that person served or by the Veteran's Administration.
  - (3) No exemption may be granted except upon written application for the exemption on a form prescribed by the State assessor for use by local assessors or upon a form established by the City Assessor. The claimant must file the application no later than March 1 of the assessment year for which the exemption is sought. The City Council for good cause shown may waive the claimant's failure to make timely application for the exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. If a claimant whose failure to file by March 1 of the assessment year has been waived as

provided in this subsection and application for exemption is approved, the amount of tax which the claimant may have already paid for the assessment year for the property exempted shall be refunded to the claimant.

- (4) The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed, and shall require a disabled veteran claiming an exemption thereunder on that basis to provide evidence of the disability rating. The assessor may require proof of eligibility at any time.
  - (5) Only one exemption under (A)(6) may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. Exemption under (A)(6) may be denied if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption.
  - (6) If two or more individuals are eligible for an exemption for the same property under (A)(12), not more than two exemptions may be granted.
  - (7) The assessor's eligibility determination may be appealed under AS 44.62.560-44.62.570.
- (E) For the purpose of determining property exempt under (A)(7) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) unless superseded by applicable federal law:
- (1) "Developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful and productive present use without further substantial modification, surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but that do not create the condition described in this subsection, do not constitute a developed state within the meaning of this subsection developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state.
  - (2) "Exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources.
  - (3) "Lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.
  - (4) If property or an interest in property that is determined not to be exempt under (A)(7) reverts to an undeveloped state, or if the lease is terminated,


the exemption shall be granted, subject to the provisions of (A)(7) of this section.

- (F) For the purpose of determining property exempt under (A)(8) of this section:
  - (1) The date of subdivision shall be either the date of preliminary approval of a plat by the platting authority or the date of recordation of a final plat by the Alaska Department of Natural Resources;
  - (2) Lots for which the city completes the construction of required improvements shall not be exempt; and
  - (3) Lots whose exemptions terminate prior to the due date for final payment of tax shall not be subject to a pro rata payment of tax.
- (G) For the purpose of determining eligibility for exemption under (A)(10) of this section, a vessel must have been capable of safe navigation and operation upon the waters of the city as of January 1 of the assessment year or within 60 days of that date, and be registered and numbered under AS 05.25.055 unless exempt from the numbering and registration requirements of AS 05.25.055, and not be permanently moored, docked or affixed to the tidelands.
- (H) Laws exempting certain property from execution under AS 09 (Code of Civil Procedure) do not exempt the property from taxes levied and collected by the City.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on March 10, 2020.

  
Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

  
Marjie Veeder, CMC  
City Clerk



---

---

## MEMORANDUM TO COUNCIL

---

---

To: Mayor and City Council Members  
From: Marjie Veeder, City Clerk  
Through: Erin Reinders, City Manager  
Date: March 10, 2020  
Re: Ordinance 2020-02, Amending Unalaska Code of Ordinances § 6.28.030, property tax exemptions

---

---

**SUMMARY:** This ordinance amends § 6.28.030, Required Exemptions, in the property tax code. The version of the ordinance presented tonight:

- retains the exemption for structures containing fire protection systems, exempting 2% of the assessed value of the structure; see paragraph (A)(14) of the ordinance
- clarifies that the exemption for vessels does not apply to vessels that are permanently docked or moored, with simplified language as compared to the earlier version of the ordinance; see paragraphs (A)(10) and (G) of the ordinance
- renames the section “Exemptions” and
- reorganizes the section

**PREVIOUS COUNCIL ACTION:** Previous council action related to § 6.28.030, Required Exemptions, is as follows:

- Ordinance 2003-05 passed May 6, 2003: council adopted an ordinance amending and rewriting in its entirety, Title 6, Revenue and Finance.
- Ordinance 2015-22, passed November 24, 2015: creating an exemption from business personal property tax for the first \$30,000 of the full and true value of business personal property.
- Ordinance 2015-26, passed on January 26, 2016: creating a five year exemption from property tax for the increase in assessed value directly attributable to the subdivision of a single parcel of property into three or more parcels.
- On February 25, 2020, council reviewed a proposed draft of Ordinance 2020-02, and directed the city manager to determine steps necessary to retain the exemption for structures containing fire protection systems.

**BACKGROUND and DISCUSSION:** The proposed ordinance is organized so that the exemptions are listed in section (A) and numbered 1-14. Sections (B) through (G) provide additional detail regarding certain exemptions; and section (H) states that certain state laws exempting certain property from execution do not exempt the property from city property tax.

In 2017, the state repealed the mandatory exemption for 2% of the assessed value of structures containing fire protection systems, but now allows for such an exemption in the optional category. Inaccurate advice was given by the city attorney in preparation for the February 25 council meeting. Please see related memo from Boyd, Chandler, Falconer & Munson dated February 26, 2020. The City may retain the partial exemption should the Council wish to do so. The fire protection system exemption, if retained, applies to all structures, not just residential, and does not need to be ratified by the voters.

There are vessels located within the city limits that are permanently affixed in the tidelands. The city attorney and contract assessor agree that these vessels are subject to city property tax without amending code, but recommended clarification. Ordinance 2020-02 clarifies that the exemption for vessels in paragraph A(10) does not apply to vessels permanently docked, moored or affixed in the tidelands. This clarification is accomplished in paragraph (G) by stating that vessels eligible for the exemption must be capable of safe navigation and operation in the waters of the city as of January 1 of the assessment year, or within 60 days of that date, and be registered and numbered as provided for under state statute AS 05.25.055, unless exempt from the numbering and registration requirements. The language of this section was simplified from the version presented to council on February 25, 2020, by referencing state statute for the registration and numbering of boats.

Though not part of the vessel definition, the first \$30,000 of the full and true value of all personal property is tax exempt, so any vessel worth less than \$30,000, regardless of whether the vessel qualifies for the exemption, is exempt.

**ALTERNATIVES:** Council may choose to adopt this ordinance or not; or may choose to amend the ordinance.

**Partial exemption for structures containing fire protection systems:** This is allowed by the state as an optional exemption. It is council's decision whether to retain this exemption or not. If council wishes to remove this partial exemption, a motion to amend Ordinance 2020-02, deleting paragraph (A)(14) is required.

**Impact of not clarifying the Vessel Exemption:** Vessels permanently moored or docked, or permanently affixed in the tidelands, are already subject to property tax. This code clarification reduces the risk of a dispute or litigation should the owner of one these vessels disagree with our conclusion.

**FINANCIAL IMPLICATIONS:** The version of the ordinance presented tonight retains the partial exemption for structures containing fire protection systems. If council chooses to delete this exemption, four property owners owning nine parcels claiming the exemption, will be impacted. The combined value of the exempt property is \$933,252, resulting in an increase in taxable value, and thereby increasing property tax revenue to the city by \$9,799.15 at the current millage rate.

There are two property owners whose permanently affixed vessels were added to the tax roll this year, with a combined assessed value of \$2,350,700, resulting in an increase in taxable value, and thereby increasing property tax revenue to the city by \$24,682.35 at the current millage rate.

**LEGAL:** The City Attorney has been involved in the discussion of this topic, and wrote the ordinance.

**STAFF RECOMMENDATION:** Staff recommends adoption of Ordinance 2020-02.

**PROPOSED MOTION:** I move to adopt Ordinance 2020-02.

If council wishes to remove the partial exemption for structures containing fire protection systems, a motion to amend proposed Ordinance 2020-02, deleting paragraph (A)(14) is required.

**CITY MANAGER COMMENTS:** I support staff's recommendation.

**ATTACHMENTS:**

Exhibit A - current version of § 6.28.030

Exhibit B - AS 05.25.055, Registration and Numbering of Boats



**EXHIBIT A**  
**CURRENT VERSION OF UCO § 6.28.030 REQUIRED EXEMPTIONS**

(A) The following property is exempt from general taxation:

(1) Municipal, state or federally owned property, except that a private leasehold, contract or other interest in property is taxable to the extent of the interest.

(2) Household furniture and personal effects of members of a household.

(3) Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes.

(4) Property of a nonbusiness organization or its auxiliary composed entirely of persons with ninety (90) days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable.

(5) Money on deposit.

(6) The real property of certain residents of the State to the extent and subject to the conditions provided in (E) of this section.

(7) Real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620d, as amended.

(8) The increase in assessed value directly attributable to the subdivision of a single parcel of property into three or more parcels and completion of the construction of any improvements made to the property by the property owner necessitated by its subdivision. This exemption shall commence no earlier than the first assessment year after subdivision and shall expire for each individual lot upon the earlier of:

(a) Sale, leasing or rental of the lot; or

(b) Construction or placement of any structure upon the lot; or

(c) Use of the lot for any occupation, employment, or enterprise that is carried on for profit; or

(d) The end of the fifth assessment year following subdivision.

(B) In subsection (A) of this section, property used exclusively for religious purposes includes the following property owned by a religious organization:

(1) The residence of a bishop, pastor, priest, rabbi, minister or religious order of a recognized religious organization.

(2) A structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious administrative offices, religious education or a nonprofit hospital.

(3) Lots required by local ordinance for parking near a structure defined in subsection (2) of this subsection.

(C) Property described in subsections (A)(3) or (4) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital, or educational groups. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.

(D) Laws exempting certain property from execution under AS 09 (Code of Civil Procedure) do not exempt the property from taxes levied and collected by the City.

(E) The real property owned and occupied as a permanent place of abode by a (1) resident sixty-five (65) years of age or over, (2) disabled veteran, or (3) resident at least sixty (60) years old who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is exempt from taxation on the first \$150,000 of the assessed value of the real property. In a case of hardship, the City of Unalaska hereby provides for exemption beyond the first \$150,000 of assessed value in accordance with regulations of the State of Alaska. Only one (1) exemption may be granted for the same property and, if two (2) or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560-44.62.570.

(F) No exemption may be granted under (A)(8) or (E) of this section except upon written application for the exemption on a form prescribed by the State assessor for use by local assessors or upon a form established by the City Assessor. The claimant must file the application no later than March 1 of the assessment year for which the exemption is sought. The City Council for good cause shown may waive the claimant's failure to make timely application for the exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. If a claimant whose failure to file by March 1 of the assessment year has been waived as provided in this subsection and application for exemption is approved, the amount of tax which the claimant may have already paid for the assessment year for the property exempted shall be refunded to the claimant. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under (A)(8) or (E) of this section, and shall require a disabled veteran claiming an exemption under (E) of this section to provide evidence of the disability rating. The assessor may require proof under this section at any time.

(G) (1) In (E) and (F) of this section the term real property includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

(2) In (E) and (F) of this section, the term "Disabled Veteran" means a disabled person separated from the military service of the United States under a condition that is not dishonorable who is a resident of the State, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as fifty percent (50%) or more by the branch of service in which that person served or by the Veteran's Administration.

(H) Two percent (2%) of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 18.70.081, in operating conditions, and incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to:

(1) An amount equal to two percent (2%) of the value of the structure based on the assessment for 1981, if the fire protection system is a fixture of the structure on January 1, 1981; or

(2) An amount equal to two percent (2%) of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981.

(I) For the purpose of determining property exempt under (A)(7) of this section, the following definitions apply to terms used in 43 U.S.C. 1620d unless superseded by applicable federal law.

(1) "Developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful and productive present use without further substantial modification, surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but that do not create the condition described in this subsection, do not constitute a developed state within the meaning of this subsection developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state.

(2) "Exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources.

(3) "Lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(J) If property or an interest in property that is determined not to be exempt under (A)(7) of this section reverts to an undeveloped state, or if the lease is terminated, the exemption shall be granted, subject to the provisions of (A)(7) of this section.

(K) For the purpose of determining property exempt under (A)(8) of this section:

(1) The date of subdivision shall be either the date of preliminary approval of a plat by the platting authority or the date of recordation of a final plat by the Alaska Department of Natural Resources.

- (2) Lots for which the city completes the construction of required improvements shall not be exempt.
- (3) Lots whose exemptions terminate prior to the due date for final payment of tax shall not be subject to a pro rata payment of tax.

(L) One motor vehicle per household owned by a resident sixty- five (65) years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. An exemption may be granted under this subsection only on written application on a form prescribed by the Alaska Department of Administration.

(M) Commercial and non-commercial vessels.

(N) All other property exemptions from general taxation under AS 29.45.030.

(O) The real property owned and occupied as a permanent place of abode by a resident who provides in the City volunteer (1) firefighting services and is certified as a fire fighter by the Alaska Department of Public Safety, or (2) emergency medical services and is certified under AS 18.08.082 is exempt from taxation on the first \$10,000 of the assessed value of the real property. If two (2) or more individuals are eligible for an exemption for the same property, not more than two exemptions may be granted.

(P) The first \$30,000 of the full and true value of all personal property is tax exempt.

**EXHIBIT B**  
**AS 05.25.055. Registration and Numbering of Boats**

- (a)** An undocumented boat placed on water of the state must be registered and numbered as required by this chapter. The Department of Administration shall adopt by regulation a boat registration and numbering system that is consistent with the national standard for state numbering systems established by the United States Coast Guard.
- (b)** In adopting a boat registration system under (a) of this section, the Department of Administration shall authorize agents, including boat dealers, to register boats.
- (c)** A boat dealer shall require a purchaser of a new or used boat sold at retail to complete a registration application and pay the registration fee before the boat leaves the dealer's premises unless the boat is exempt from registration and numbering under this chapter or regulations adopted under this chapter.
- (d)** A person may not operate a boat on water of the state unless a valid certificate of number has been awarded by the Department of Administration to the boat and the identification number and any required validation decals are properly displayed on the boat.
- (e)** The Department of Administration shall authorize agents to accept an application and registration fee for registration, to issue a registration, and to forward the application and registration fee to the Department of Administration.
- (f)** Unless otherwise provided by this chapter, or unless the owner has been awarded a current, valid Alaska certificate of number from the United States Coast Guard, the owner of a boat for which a current certificate of number has been awarded under federal law or a federally approved numbering system of another state shall apply for a certificate of number in this state as required by this chapter if the boat is operated on water of the state for more than 90 consecutive days. If a boat has an existing number, the owner may request that the department issue the same number for purposes of this section, and the department shall comply with the request unless compliance would result in a duplication of numbers.
- (g)** A certificate of number issued under this chapter is valid for three years unless terminated or discontinued earlier as required by this chapter and regulations adopted under this chapter. The certificate expires on the last day of the month at the end of the three-year period. The expiration date shall be indicated on the certificate.
- (h)** All records of ownership of boats that are kept by the Department of Administration under this section are public records. The Department of Administration shall provide records of ownership and registration expense reports to the Department of Public Safety for the purposes of meeting the federal requirements for state programs and implementing this chapter.
- (i)** The following boats are exempt from the numbering and registration provisions of this section:
- (1)** a boat that is operated in this state for a period not exceeding 90 consecutive days and that has a current, valid certificate of number issued by another state having a federally approved numbering system;
  - (2)** a foreign boat operated in water of the state for a period not exceeding 90 consecutive days;
  - (3)** a boat owned by the United States or an entity or political subdivision of the United States, or a boat owned by a state or an entity or political subdivision of a state;
  - (4)** a boat that is not equipped with mechanical propulsion;
  - (5)** a boat with a valid document to operate the boat that is issued by the United States or a foreign government;
  - (6)** a handmade nonmotorized umiaq with a walrus or sealskin covering.

**BOYD, CHANDLER, FALCONER & MUNSON, LLP**

Attorneys At Law  
Suite 302  
911 West Eighth Avenue  
Anchorage, Alaska 99501  
Telephone: (907) 272-8401  
Facsimile: (907) 274-3698  
bcf@bcfaklaw.com

**MEMORANDUM**

**To:** Erin Reinders  
Marjorie Veeder

**From:** Charles A. Cacciola

**Date:** February 26, 2020

**Re:** Fire Protection System Exemption

---

Until 2017, Alaska law required municipalities to exempt 2% of a structure's value if the structure had a fire protection system. This exemption was codified as subsection (l) of AS 29.45.030, the statute setting forth *required* property tax exemptions. The legislature repealed AS 29.45.030(l) in 2017.

At the same time, the legislature added a new subsection (x) to AS 29.45.050, the statute setting forth *optional* exemptions. The new AS 29.45.050(x) is substantively the same as the repealed AS 29.45.030(l). In short, the legislature changed the fire system exemption from a required exemption to an optional exemption. As a result of the change, the City is no longer required to provide the exemption, but may do so if it chooses.

I previously advised that AS 29.45.050 — optional exemptions — did not authorize the City to provide the fire system exemption. This was incorrect. Though I relied upon an up-to-date volume of statutes for AS 29.45.030, I looked at an outdated volume when Ms. Veeder asked about alternatives to removing this exemption from UCO § 6.28.030. Because AS 29.45.050(x) did not appear in the outdated volume, I advised that the only provision of AS 29.45.050 that could provide a (partial) basis for the fire system exemption was subsection (a), which authorizes exemptions for residential property only and only if ratified by the voters.

Because the legislature added the fire system exemption to AS 29.45.050 as subsection (x), the City may retain the exemption should the Council wish to do so. The fire system exemption, if retained, applies to all structures, not just residential, and does not need to be ratified by the voters.