



11B2

Haines Borough Assembly Agenda Bill

Agenda Bill No.: 24-1363

Assembly Meeting Date: 02/27/24

| Business Item Description: | Attachments: |
|--|---|
| Subject: Amending HBC Section 3.72.020 Full and True Value | 1. Ordinance 24-02-667 2. Jesse Kiehl Draft Senate Bill 3. Request for Assembly Action from Property Tax Assessment Ad Hoc Advisory Board |
| Originator: Property Tax Assessment Ad Hoc Committee | |
| Originating Department: | |
| Date Submitted: 2/22/24 | |

| Full Title/Motion: |
|---|
| Motion: Introduce Ordinance 24-02-667 and set it for its first public hearing 3-12-24 and second public hearing 3-26-24 |

| Administrative Recommendation: |
|--------------------------------|
| |

| Fiscal Impact: | | | |
|----------------------|-----------------|------------------------|--|
| Expenditure Required | Amount Budgeted | Appropriation Required | Projected Impact to Future Operating Budgets |
| \$ | \$ | \$ | N/A |

| Comprehensive Plan Consistency Review: | |
|--|---|
| Comp Plan Goals/Objectives: | Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

| Summary Statement: |
|---|
| At the Committee of the Whole meeting on February 20, 2024, Senator Kiehl's draft Senate Bill were discussed as it relates to the recommendations of the Property Tax Assessment Ad Hoc Advisory Board's recommendations. |

| Referral: | |
|-----------------|----------------|
| Referred to: | Referral Date: |
| Recommendation: | Meeting Date: |

| Assembly Action: | |
|--------------------------|---|
| Meeting Date(s): 2/27/24 | Public Hearing Date(s): 3/12/24 and 3/26/24 Postponed to Date: |

**An Ordinance of the Haines Borough Assembly Amending Haines
Borough Code Section 3.72.020 Full and True Value.**

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 3.72.020. Section 3.72.020 shall be amended as follows:

NOTE: **Bolded**/UNDERLINED ITEMS ARE TO BE ADDED
~~STRIKETHROUGH~~ ITEMS ARE DELETED

3.72.020 Full and true value.

The assessor shall assess property at its full and true value as of January 1st of the assessment year. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels. **If the appellant provides a long form fee appraisal to support the appellant's valuation and the board of equalization does not find in favor of the appellant, the board shall make specific findings on the record to support its decision.**

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS 26th DAY OF MARCH, 2024.

ATTEST:

Thomas C. Morphet, Mayor

Aleka Fullerton, MMC, Borough Clerk

Date Introduced: 02/27/24
Date of First Public Hearing: 03/12/24
Date of Second Public Hearing: 03/26/24

33-LS1141\U
Dunmire
2/15/24

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY SENATOR KIEHL

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to assessment of property, boards of equalization, and certification of**
2 **assessors; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 29.45.110(a) is amended to read:

5 (a) The assessor shall assess property at its full and true value as of January 1
6 of the assessment year, except as provided in this section, AS 29.45.060, and
7 29.45.230. The assessor shall determine the full and true value as provided in
8 standards adopted by the department under (e) of this section or another set of
9 standards provided by ordinance [IS THE ESTIMATED PRICE THAT THE
10 PROPERTY WOULD BRING IN AN OPEN MARKET AND UNDER THE THEN
11 PREVAILING MARKET CONDITIONS IN A SALE BETWEEN A WILLING
12 SELLER AND A WILLING BUYER BOTH CONVERSANT WITH THE
13 PROPERTY AND WITH PREVAILING GENERAL PRICE LEVELS].

14 * **Sec. 2.** AS 29.45.110 is amended by adding a new subsection to read:

(e) The department shall adopt standards for assessing the full and true value of property under (a) of this section that are not inconsistent with standards adopted by the International Association of Assessing Officers and update the standards when necessary.

* **Sec. 3.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.115. Assessor certification. A municipality may not employ an assessor, including a private contractor, unless the assessor has a level 3 certification from the Alaska Association of Assessing Officers or works under the supervision of an individual with a level 3 certification from the Alaska Association of Assessing Officers.

* **Sec. 4.** AS 29.45.200(a) is amended to read:

(a) The governing body shall appoint one or more boards [SITS AS A BOARD] of equalization for the purpose of hearing an appeal from a determination of the assessor [, OR IT MAY DELEGATE THIS AUTHORITY TO ONE OR MORE BOARDS APPOINTED BY IT]. An appointed board shall [MAY] be composed of not less than three persons, who shall be members of the governing body, municipal residents, or a combination of members of the governing body and residents. The governing body shall by ordinance establish the qualifications for membership. The governing body may by ordinance appoint itself to sit as a board of equalization.

* **Sec. 5.** AS 29.45.210(b) is amended to read:

(b) The appellant bears the burden of proof. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal or proven at the appeal hearing. The [IF A VALUATION IS FOUND TO BE TOO LOW, THE] board of equalization may not raise the assessment in the current year unless requested to do so by the appellant. If the appellant provides a long form fee appraisal to support the appellant's valuation and the board of equalization does not find in favor of the appellant, the board shall make specific findings on the record to support its decision.

* **Sec. 6.** The uncoded law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and

1 Economic Development may adopt regulations necessary to implement the changes made by
2 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
3 before the effective date of the law implemented by the regulation.

4 * **Sec. 7.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).

5 * **Sec. 8.** Except as provided in sec. 7 of this Act, this Act takes effect January 1, 2025.



SENATOR JESSE KIEHL

Property Tax Fairness

Sectional Analysis

Sec. 1 requires local assessors to use published standards. Default standards will be adopted by the state, or a local governing body can adopt alternate standards by ordinance.

Sec. 2 requires the Department of Commerce, Community, and Economic Development to adopt the default assessment standards—based on those published by the International Association of Assessing Officers—by regulation.

Sec. 3 requires a local assessor to have or be supervised by someone who has a level 3 certification from the Alaska Association of Assessing Officers.

Sec. 4 says a local governing body must appoint a Board of Equalization unless it adopts an ordinance to set itself as the Board of Equalization.

Sec. 5 prohibits a local government from raising the assessed value of the property during the appeals process, unless requested by the appellant. Sec. 5 also requires a Board of Equalization to make specific findings on the record if it disagrees with a fee appraisal.

Sec. 6 lets the Department of Commerce, Community, and Economic Development adopt regulations setting the default assessment standards.

Sec. 7 sets an immediate effective date for the department to put out regulations.

Sec. 8 sets a Jan. 1, 2025 effective date for all other changes in the bill.

February 19, 2024

33-LS1141\U

ALASKA SENATE

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SENATOR.JESSE.KIEHL@AKLEG.GOV



SENATOR JESSE KIEHL

Property Tax Fairness

Sponsor Statement

Alaskans deserve transparency and fairness when it comes to property taxes. The bill puts some baseline requirements in place for Alaska municipalities, while preserving the important principle of local control.

The bill has the State set baseline standards for assessors to use so Alaskans know what the rules are for figuring property values. It also lets municipalities adopt their own by ordinance if state or national standards don't fit.

It also changes the default for who hears tax appeals to an appointed Board of Equalization instead of local elected officials. It's important to keep those separate because Alaskans can't talk freely about problems with the assessment process with an elected official who will later sit as a quasi-judge over their appeal. Citizens shouldn't lose access to their representatives when they disagree with city hall. Because some municipalities may be unable to fill appointed seats, the bill lets them opt out of this change by passing an ordinance.

The bill stops a municipality from raising the assessed value during an appeal process. Government's bite at the apple comes when it sends you a notice of assessed value. Raising that value when a citizen disagrees can chill taxpayers from exercising their rights.

The bill also levels the playing field for citizens with a recent appraisal in hand by requiring any Board of Equalization that doesn't agree with a fee appraisal to explain its findings on the record.

Finally, the bill ensures assessors have the experience and credentials to do the job well.

February 19, 2024

33-LS1141\U

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SENATOR.JESSE.KIEHL@AKLEG.GOV



Haines Borough
**BOROUGH ASSEMBLY
ACTION REQUEST**

DATE: December 29, 2023

TO: Borough Assembly

FROM: Property Tax Assessment Advisory Board

ACTION:

Motion: Gilbert moved to "approve the proposed amendment to HBC 3.72.020 as written and recommend it to the Assembly for approval" and the motion carried 4-1 with Hansen opposed.

RATIONALE:

The Property Tax Assessment Advisory Board was charged with reviewing existing code, policy and procedures of the property tax assessment process and to recommend changes to improve the process for both citizens and the borough administration. The definition of "full and True Value" has been the subject of much discussion and interpretation. The proposed amendment to borough code narrows the definition because **"In an appeal, a complete defense does take on some elements of a single-property appraisal. Computer-assisted mass appraisal for all its strengths tends to retreat into the background during a protest. A protest, by nature of its focus on an individual property, often requires the skill of individual property appraisal."**

This quote is from page 229 of Assessment Administration published by the Internationale Association of Assessing Officers.

BOARD REQUEST:

The Property Tax Assessment Advisory Board requests that the assembly amend the definition of Full and True Value to bring our definition into alignment with the International Association of Assessing Officers.

SUBMITTED BY Paul Rogers

Paul Rogers, Chair
Property Tax Assessment Advisory Board

Amendment Proposed to Assembly

3.72.020 Full and true value.

The assessor shall assess property at its full and true value as of January 1st of the assessment year. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels, **anything to the contrary notwithstanding. An appeal pursuant to this section must be treated as a single-property appraisal. A property market sale or single-property appraisal shall be the preferred method of valuation.**