



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 24-1362
Assembly Meeting Date: 03/26/24

Business Item Description:	Attachments:
Subject: Repealing and Replacing HBC 3.72.110 Adding HBC 3.72.115 and amending HBC 3.72.100	1. Ordinance 24-02-666 2. 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:
 Proposed Motion: Postpone Ordinance 24-02-666 until changes to state law are settled and the ordinance may be amended to conform with state law.

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: Yes No

Summary Statement:
 Updated: At the March 12, 2024 Assembly Meeting, staff was asked to include the provision from proposed SB 242 that the Assembly may, by ordinance, appoint themselves as the Board of Equalization, then the suggestion was made to postpone the adoption of Ordinance 24-02-666 until state law changes are settled since the 2024 BOE has already been delegated to a citizen BOE per Resolution 24-02-1091.

Referral:
 Referred to: _____ Referral Date: _____
 Recommendation: _____ Meeting Date: _____

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

An Ordinance of the Haines Borough Assembly Repealing and Replacing Haines Borough Code Section 3.72.110 Board of Equalization; Adding Section 3.72.115 Hearing Panels of the Board of Equalization; and Amending 3.72.100 Appeals.

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. Repeal and Replacement of Section 3.72.110. The existing section 3.72.110 shall be repealed and replaced with a new section 3.72.110 as follows:

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

3.72.110 Board of Equalization Membership & Duties.

- A. *Board of Equalization Established*. There shall be a board of equalization consisting of no fewer than five nor more than nine members that shall hear appeals from determinations of the assessor. **Proposed amendment: The Assembly may, by ordinance, appoint itself to sit as the board of equalization.**
- B. The board of equalization may alter an assessment of a tract only pursuant to an appeal filed as to that particular tract.
- C. *Appointment and Term*. Members shall be appointed by the assembly and, except as provided in this subsection, shall serve a term of three years, which shall terminate on November 30th of the year the member's term expires. By December 1, 2024, the assembly shall appoint three members who shall serve one-year terms, three members who shall serve two-year terms, and three members who shall serve three-year terms. By December 1 of each subsequent year, the assembly shall appoint three members who shall succeed the members whose term expires that year. Should a member cease to hold office prior to the expiration of the appointed term, the assembly shall, by December 1, appoint a member to shall serve the balance of that term.
- D. *Qualifications*. A member shall be a qualified voter of the Haines Borough and a resident for at least one year immediately preceding the date of appointment. A member who no longer resides in Haines Borough shall forfeit the office. Assembly members shall not be qualified to serve on the board of equalization. The assembly shall consider personal and professional experience in property development, property management, construction, insurance, banking, real estate, and other relevant fields when appointing members to the board.

- E. *Presiding Officer.* In December of each year, the board of equalization shall elect a member who shall serve as presiding officer. The presiding officer's term shall continue until a successor presiding officer is elected and qualified. The presiding officer's term shall immediately terminate if the officer ceases to be a member of the board of equalization. The presiding officer shall coordinate with the assessor and borough clerk to set and publish agenda for meetings and hearings of the board and hearing panels. The presiding officer shall designate members to serve on hearing panels as panelists and alternates. The presiding officer shall perform other duties reasonably necessary to administer the business of the board and other such duties as may be assigned by the assembly.
- F. *Rules and Regulations.* The board may recommend borough policy establishing reasonable rules and regulations governing proceedings before the board and hearing panels. This policy shall be reviewed by the board annually after the conclusion of all appeals with recommended changes submitted to the assembly for approval by December 1 of the assessment year.
- G. *Quorum and Acts of the Board.* A majority of the full board shall be a quorum for the transaction of business of the board of equalization. In the absence of a quorum, any number less than a quorum may recess a meeting to a later time or date. In the presence of a quorum, no action shall be taken except upon an affirmative vote of a majority of the quorum present at a properly noticed meeting.

Section 5. Addition of Section 3.72.115. Section 3.72.115 shall be added as follows:

3.72.115 Hearing Panels of the Board of Equalization.

- A. Notwithstanding HBC 3.72.110(F), a duly constituted hearing panel shall be empowered to hear appeals from determinations of the assessor on behalf of the board of equalization. A hearing panel's decisions on an appeal shall be considered decisions of the board of equalization for the purpose of this chapter. After the appeal has been completed, the panel shall certify its actions to the assessor within seven days. An appellant or the assessor may appeal a determination of the panel to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established at the hearing before the panel.
- B. A hearing panel shall be composed of not less than **four** members. For each hearing panel, the presiding officer shall designate at least three members as panelists and **one** member as an alternate.
- C. Three panelists shall constitute a quorum for the transacting of business of the hearing panel. In the absence of a quorum, any number of panelists less than a quorum may recess a hearing to a later time or date. In the presence of a quorum, no action shall be taken except upon an affirmative vote of a majority of the panelists present at a properly noticed hearing.
- D. Panelists shall participate in hearings and shall be entitled to vote on business before the panel. Alternates shall not participate in hearings nor vote on business before the panel. A panelist may

be replaced by an alternate by the presiding officer due to illness or other request from a panelist. Upon such occurrence, the alternate shall be considered a panelist for the remainder of the appeal. Appellants may request replacement by an alternate pursuant to section (G) below. Once the alternate becomes a panelist, the original panelist may become an alternate for that panel.

- E. Hearing panels shall commence hearing appeals on the second Monday in May of each year unless a different date is established by resolution of the assembly. The hearing panel shall adjourn over and continue its session as business requires.
- F. The panelists shall choose a hearing chair for each panel.
- G. An appellant may request that a panelist be excused from the panel hearing the appellant's appeal by providing a written request for excusal of the member, without stating any reason for the requested excusal, to the presiding officer not less than 48 hours prior to the time set for the hearing. The presiding officer shall grant the request if an alternate is available to serve as a panelist.

Section 6. Amendment of Section 3.72.100. Section 3.72.100 shall be amended as follows:

3.72.100 Appeal.

...

E. Notwithstanding other provisions in this section, a determination of the assessor as to whether property is taxable under law may be appealed directly to the superior court within 30 days after final decision, following the procedures set out in AS 44.62.560 through 44.62.570.

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

ATTEST:

Thomas C. Morphet, Mayor

Alekk 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

AMENDMENT

OFFERED IN THE SENATE

TO: SB 242

1 Page 1, lines 7 - 13:

2 Delete "The assessor shall determine the full and true value as provided in
3 standards adopted by the department under (e) of this section or another set of
4 standards provided by ordinance [IS THE ESTIMATED PRICE THAT THE PROPERTY
5 WOULD BRING IN AN OPEN MARKET AND UNDER THE THEN PREVAILING
6 MARKET CONDITIONS IN A SALE BETWEEN A WILLING SELLER AND A
7 WILLING BUYER BOTH CONVERSANT WITH THE PROPERTY AND WITH
8 PREVAILING GENERAL PRICE LEVELS]."

9 Insert "The full and true value is the estimated price that the property would bring in
10 an open market and under the then prevailing market conditions in a sale between a willing
11 seller and a willing buyer both conversant with the property and with prevailing general price
12 levels. The assessor shall determine the full and true value as provided in standards
13 adopted by the department under (e) of this section or another set of standards provided
14 by ordinance."

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:

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

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

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

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

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

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

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

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

31 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.



Haines Borough
**BOROUGH ASSEMBLY
ACTION REQUEST**

DATE: December 14, 2023

TO: Borough Assembly

FROM: Property Tax Assessment Advisory Board

ACTION:

Motion: Humphrey moved to “recommend proposed amendment to HBC 3.72.110 to the Assembly for approval” and the motion carried unanimously.

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. One of the most troublesome issues during 2023 was that assembly members served as the board of equalization which denied appellants the ability to seek relief from due process concerns and code violation because BOE (assembly) members are prohibited from having ex parte communication with appellants. The attached amendment provides for a citizen board of equalization and relieves elected officials of this duty.

BOARD REQUEST:

The advisory board requests that the assembly amend borough code 3.72.110 to update board of equalization membership and duties as detailed in the attached document.

SUBMITTED BY Paul Rogers

Paul Rogers, Chair
Property Tax Assessment Advisory Board