



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 24-1364
Assembly Meeting Date: 03/26/24

Business Item Description:	Attachments:
Subject: Adding HBC Section 3.72.105 Exchange of Information	1. Assessor's Memo 2. Introduced Ordinance 24-02-668
Originator: Property Tax Assessment Ad Hoc Committee	
Originating Department:	
Date Submitted: 2/22/24	

Full Title/Motion:
This Ordinance is eligible for adoption. If the Assembly would like to make changes in light of the Assessor's Memo, after amendment, the Clerk requests that the Ordinance be scheduled for a third public hearing April 9, 2024.

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:
Update: The Assessor has noted their concerns in an attached memo.
At the Committee of the Whole meeting on February 20, 2024, the Exchange of Information recommendations from the Property Tax Assessment Ad Hoc Advisory Board were discussed and item (D) was added to clarify that the Appellant and Assessor may continue to share information and negotiate until the appeal hearing.

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:

From: Martins Onskulis
Appraisal Company of Alaska
405 W. 27th Ave.
Anchorage, AK 99503
907.334.6312 (Office)

To: Haines Borough Assembly

I am writing to address my concerns regarding the proposed Ordinance 24-02-668, as I find several aspects of it perplexing and potentially contradictory to State of Alaska Statutes.

Timeline

Firstly, I would like to draw attention to the issue of timing outlined in the proposed ordinance. The designated timeline for the assessor & property owner to submit their final review to the Board of Equalization (BOE) a mere 10 days & 5 days prior to the meeting presents significant challenges in effectively planning BOE sessions and planning for the workflow of the assessor's office. While this framework may be suitable under conditions of minimal appeals, it becomes problematic in scenarios involving a high volume of appeals, potentially leading to considerable delays. This is particularly exacerbated by the substantial time required for compiling necessary documentation for presentation before the BOE, coupled with efforts to contact property owners who may not have been reached previously.

Alaska State Statutes

In consultation with other assessors and based on information from other communities - assessors should be required to submit relevant information to the BOE at least one week prior to its convening, in some communities submission is a day or two before the scheduled meeting. The primary rationale behind this recommendation is to ensure that the BOE members are adequately equipped to make informed decisions based on the information **presented during the proceedings**. During recent meetings, concerns were raised by property owners who expressed frustration in attempting to engage with BOE members prior to scheduled hearings. It is imperative that the efficacy of BOE deliberations not be contingent upon members conducting independent investigations or reviews of materials in public forums.

In the context of Anchorage, property owners are afforded a timeframe of 45 days to furnish all relevant evidence, encompassing a 30-day window for initiating an appeal followed by an additional 15-day period allocated for the submission of supporting documentation. However, it is noted that this timeline may not be feasible for implementation in Haines this year, given the constraints imposed by Alaska State requirements and the timeline for mailing assessment notices.

The proposed ordinance, in its current form, appears to advocate for a reversal of roles, wherein the assessor is tasked with assembling documentation for the defense, thereby placing property owners in the position of relying solely on materials provided by the assessor. Such a framework contradicts established principles, wherein property owners should derive their appeal from diligent research and independent findings, rather than relying solely on the assessor's data for defense. This approach potentially contravenes the burden of proof as outlined in Alaska Statutes. Per Alaska Statutes, property owners are mandated to prove that the assessed value is unequal, excessive, improper, or undervalued.

Upon review of the evidence submitted by property owners, it is essential to maintain the protocol whereby the assessor diligently examines the provided evidence. This ensures a thorough and equitable assessment process, contrary to the proposed approach by the Ad Hoc committee. As outlined in the Anchorage municipal code, property owners are obligated to present their defense within 45 days of receiving assessment notices. Subsequently, the assessor meticulously reviews the submitted information and engages in discussions with property owners. In the event of appeals proceeding to the Board of Equalization (BOE), the assessor is mandated to submit the final findings to the BOE at least one week prior to the scheduled hearing. The proposed ordinance by Ad Hoc is opposite of what other communities across the State does.

It is imperative to emphasize that any proposed ordinance, including that of the Ad Hoc committee, must not override state statutes or undermine existing legal frameworks. Given the significance of legal compliance, it is advisable to seek guidance from your legal advisor to ensure alignment with applicable laws and regulations.

Has the proposed ordinance undergone thorough legal review to ascertain its consistency with prevailing state statutes and legal mandates? Such scrutiny is essential to uphold the integrity of our assessment procedures and ensure adherence to statutory requirements.

Here is an example from Anchorage:

What happens after I file my appeal?

Your appeal will be assigned to an appraiser for review following the informal review period. You will be notified of who has been assigned your appeal and how to contact them. You must provide the appraiser with your evidence within 45 days of the date notices (green cards) were mailed. The appraiser may require further information and/or an inspection of your property. Once the appraiser reviews the information or performs any requested property visit, the appraiser will make a value recommendation, and you will receive an 'Appeal Withdrawal Form' noting the recommended value. If you sign the Withdrawal Form your appeal will be finalized at the recommended value, and you will get your appeal deposit back; approximately 75% of appeals are resolved in this manner. If you choose not to sign the Withdrawal Form, your appeal will be scheduled for a hearing at the Board of Equalization (BOE). You will receive a notification for the hearing two weeks prior, and you will receive an appeal packet including a copy of your appeal and a summary of the Assessor's position that will be presented to the BOE one week prior to the hearing.

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What information must I provide with my appeal?

When submitting an appeal, provide the following:

- Parcel number of the property you are appealing;
- Specific reasons why you believe the Assessor's valuation does not reflect the value of the property (the amount of tax, percent of increase, personal hardship, and other matters unrelated to the value, are not sufficient grounds for appeal.);
- Comparable sales or other supporting evidence (see the list below); and
- Your signature (and agency authorization, if someone else will represent you).
- Complete both sides of the appeal form.

By Alaska State law, "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. If a valuation is found to be too low, the Board of Equalization may raise the assessment." Alaska Statute 29.45.210.(b)

You must present clear and convincing evidence to support your appeal. All evidence must be provided within 45 days from the date the assessment notice was mailed (30 days to file an appeal plus 15 days to provide all supporting evidence). The Assessor may agree to extend the time limit to provide evidence under certain circumstances. Contact the assessor's office regarding any extension request. *Appeals without supporting information will be dismissed by the Board. New or additional documentation may not be introduced at the hearing.*

Upon careful review, it appears that points A and C may require either revision or removal to ensure alignment with current best practices or regulatory frameworks. Given the significance of these points, it is imperative that they undergo thorough scrutiny and potential updating.

3.72.105 Exchange of Information.

- A. Information to be presented to the board of equalization by the assessor's office shall be made available to the appellant at least 10 working days prior to the appeal hearing date scheduled for the appeal.
- B. The appellant shall be notified by email or first-class mail when the information is available and how to obtain it. A link to the information on the borough web site is permissible.
- C. The appellant must provide their information by first-class mail, email or by personally delivering it to the Haines Borough office at least five working days before the appeal hearing date scheduled for the appeal.
- D. Notwithstanding the above, the appellant and the assessor may continue to exchange information and negotiate directly until the appeal is heard.

In reference to point D, it is noted that the inclusion of the term "negotiate" may warrant reconsideration. The essence of our assessment procedures should indeed be rooted in factual substantiation rather than subjective bargaining or compromise. Therefore, it is advisable to refine the language to underscore the importance of evidence-based decision-making rather than implying a negotiation or compromise process – **appeal is not a negotiation.**

Has this gone through the legal review to ascertain their compliance with applicable statutes and regulations?

Here is what I am proposing:

A. Information to be presented to the Board of Equalization by the assessors office will be made available to the appellant one week prior to the appeal hearing date scheduled for the appeal.

B. No change

C. **“Proposed amendment will not work for this year due to state requirements and given timeline but can be reviewed/adopted for the next year”** The appellant must provide all evidence within 45 days from the date the assessment notice was mailed (30 days to file an appeal plus 15 days to provide all supporting evidence that will be presented to the BOE). The Assessor may agree to extend the time limit to provide evidence under certain circumstances. Appeals without supporting information will be dismissed by the Board. New or additional documentation may not be introduced at the hearing.

D. Notwithstanding the above, the appellant and the assessor may continue to communicate until the appeal is heard.

Finally, it is essential to acknowledge the importance of comprehensive analysis and deliberation in the development of such ordinances. Rushing through these amendments without due diligence could compromise their effectiveness and integrity, which is a risk we must strive to avoid.

Additionally, it would be advantageous for the Ad Hoc committee to seek consultation with assessors - either from us or from other municipalities within the state. Collaborating with industry experts can offer valuable perspectives and help to identify any potential pitfalls or oversights in the proposed amendments.

Considering these concerns, I respectfully urge the Borough Assembly to carefully reconsider the proposed ordinance, ensuring alignment with the State of Alaska Statutes, giving a time for a legal team to review it and addressing the practical challenges outlined above. A thorough review and adjustment of the timeline and procedural ambiguities would contribute to the efficient and equitable implementation of the ordinance.

Thank you,

Martins Onskulis

**An Ordinance of the Haines Borough Assembly Amending Haines
Borough Code Section 3.72.105 Exchange of Information**

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. Addition of Section 3.72.105. Section 3.72.105 shall be added as follows:

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

3.72.105 Exchange of Information.

- A. **Information to be presented to the board of equalization by the assessor's office shall be made available to the appellant at least 10 working days prior to the appeal hearing date scheduled for the appeal.**
- B. **The appellant shall be notified by email or first-class mail when the information is available and how to obtain it. A link to the information on the borough web site is permissible.**
- C. **The appellant must provide their information by first-class mail, email or by personally delivering it to the Haines Borough office at least five working days before the appeal hearing date scheduled for the appeal.**
- D. **Notwithstanding the above, the appellant and the assessor may continue to exchange information and negotiate directly until the appeal is heard.**

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