

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.



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

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ALASKA SENATE

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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.

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