

**BOARD OF EQUALIZATION
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Wednesday, July 14, 2021 at 5:30 PM

Zoom Webinar

<https://juneau.zoom.us/j/97552288665>

or call: 1-253-215-8782 Webinar ID: 975 5228 8665

I. Call to Order

II. Roll Call

III. Election of Officers

IV. Board Training / Refresher

Presentation by Assistant State Assessor Joseph Caissie

CBJ Law Department Training with Law Staff

V. Date Availability for Calendaring Hearings

IV. Adjournment



**DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT**
Division of Community and Regional Affairs

Board of Equalization (BOE) Training
Office of the State Assessor
Assessment Year: 2021

Director Sandra Moller

January 1, 2021



The Board of Equalization (BOE) and the Appeal Process



**Prepared by:
Office of the State Assessor
2021**



Taxpayer Confidence in a Fair Property Tax

- **Listen to the case presented**
- **Decide based on the evidence presented**
- **Establish a record that supports the decision**
- **Ask questions on the record**
- **Follow due process**



Citizen interaction with Government

Property tax system

- Assessment
- Tax billing and collection

Annual interaction

Meaningful and productive

Opinions and observations given consideration



Mass Appraisal

“The process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing.”

USPAP Standard 6

Establish:

What group of properties?

What are the standard methods?

What is the common data?

The results of the statistical testing?



BOE - Points of Discussion

- **What is the assessment process?**
- **What is the role of the BOE?**
- **What is expected of the BOE?**
- **What is an administrative hearing?**
- **How should an appeal be decided?**
- **What is expected of the Assessor?**
- **What is the responsibility of the Appellant?**



Administrative Hearing

Adjudicator

- Judge
- Jury
- Cross-Examiner

The Board of Equalization fulfills all three roles in the hearing of a real or personal property appeal.



Judicial Process

You are a judge!

Think like a judge!

Act like a judge!

Presume decision will be reviewed by a higher court!

Appellate court does not want to substitute judgment on facts.

Follow due process and existing law.



The Appeal Process

The Assessor is the government official responsible for establishing the value of all property within a municipality's boundaries for ad valorem purposes, not the Board of Equalization (BOE)

The BOE listens to appeals, and if necessary, adjusts the assessment of individual properties, higher, or lower.

Statutory mandates for filing an appeal and scheduling a hearing at the BOE may be found at AS 29.45.190



The Appeal Hearing

AS 29.45.210(b) - Hearing

- The Appellant bears the burden of proof
- A successful appeal must establish that valuation is unequal, excessive, improper or undervalued based on facts stated in a valid written appeal or proven at the appeal hearing.



Unequal, Excessive, Improper

The interpretation of meaning from the court decisions:

EXCESSIVE – To show that an assessment is excessive, an appellant must show that the assessment is more than just overvalued. It must be shown that the assessment is grossly disproportionate when compared to other assessments (*or, it can be shown that there is an intentional or fraudulent purpose to place an excessive valuation on the property.*)

UNEQUAL – To show that an assessment is unequal, the appellant must show that there are other properties in the same class as the property being appealed and that there is no basis that would justify different valuations of the property.

IMPROPER – To show that an assessment is improper, it must be shown that the assessor used an improper method of valuation, which amounts to fraud or a clear adoption of a wrong principle of valuation.

UNDERVALUED – Rare, but yes it does happen from time to time.



Unequal, Excessive, Improper

- **Currently no definition in statute or municipal code**
- **Assessment professional standards provide specific definitions that are measurable**
- **Ratio of assessed value to sale price and dispersion from the median sale price**
- **Uniform use of an accepted method of valuation**



Role of The Board

By statute, is comprised of assembly members; or

Assembly may delegate this authority to one or more lay boards

- **Appointed Boards may not be less than 3 members**
- **May be made up of assembly members, members of the public or a combination of the two**
- **Listens to presentations by the assessor and the appellant, asks questions, DOES NOT present its own evidence**
- **Makes a determination based upon the facts presented at the hearing**



Role of the Assembly/Council

The assembly/council acts as the Board of Equalization unless it appoints a BOE made up of individuals that are knowledgeable of Real Property Value and the local real estate market

The BOE is the interpreter/finder of facts

- ***only facts presented at the hearing***



Role of the Appellant

The appellant bears the burden of proof:

- **This is because the appellant is the one seeking a change of the status quo**
- **The appellant must present salient facts, not rumor, not anecdotes, no vague innuendos, but facts, about the property that supports the allegation of an assessment that has been made in error**
- **The appellant needs to convince you, using those facts, that a mistake has been made in the valuation of the property**



Role of the Assessor

- **Appointed by Mayor, Manager, or Assembly**
- **Administration of Property Assessments**
- **Determination of exemption requests**
- **Discovery of all taxable property (both real and personal)**
- **Requires adequate mapping for real property**
- **Personal property: self-reporting; monitoring by assessor, force filings if necessary**
- **Listing (description) of all property**
- **Valuation of all taxable (real & personal) property**
- **Notification to all property owners of values**
- **Appearance before the BOE to defend assessments**



Role of the Assessor (cont.)

Establish a foundation proving:

- **Equal treatment of all taxpayers**
- **Uniform assessed values**
- **Proper use appraisal methods**

(See AS 29.45.210)



Role of the Assessor (cont.)

Goal is to achieve uniform assessments, consequently, will use “mass appraisal” techniques, not fee appraisal techniques.

In order to produce equality in the tax burden, there must be uniformity in the manner of assessments.

Between standards of actual value and uniformity of assessments, courts generally prefer the latter.



Assessor's Appeal Response

Explain the case

Present evidence of:

- equity in assessment
- relationship to market value
- correct application of appraisal method



The Appeal

Property owners may appeal to the BOE for relief from inaccurate assessments.

Remember: The Appellant, not the Assessor bears the burden of proof

BUT: Once the Appellant meets this burden, then the burden falls to the Assessor to rebut the evidence presented

Appeal should be in a written format with evidence why owner feels assessment is unjust

Not sufficient for appellant merely to establish there is a disagreement with the assessor's value



The Hearing

Rules should be set down in writing and known to all prior to the hearing.

- **Adjudicative hearing**
- **On the record**
- **Based on law**
- **Based on evidence and argument presented at the hearing**
- **Potential judicial review by a higher court**



Due Process

- 1. Prior notice and hearing**
- 2. Trial-type hearing (on record)**
- 3. Right to counsel**
- 4. Impartial decision-makers**
- 5. Findings of fact and conclusions of law**



Evidence and Argument

- **Both parties have the opportunity to present evidence and argument to support their position.**
- **Both parties have an opportunity to see the evidence and argument prior to the hearing.**
- **Both parties have the opportunity to rebut the evidence and argument presented at the hearing.**
- **Evidence (more to do with presentation of fact)**
- **Argument (more to do with interpretation of law)**



Finding of Facts/Conclusions of Law

Findings of Fact-

Determinations setting forth all the facts found to be true at the hearing. Facts being those elements of evidence provided by either the appellant or the assessor that the Board found to be decisive and/or significant.

Conclusion of Law-

The conclusions reached based on the legal premises for the decision.



Finding of Facts/Conclusions of Law (cont.)

Treat every case as though it will be appealed to the courts.

The courts will review the record of the hearing – an appellant does not receive a new hearing.

Courts need to know how you made your decision.

Place yourself in court's position and determine if you can understand why BOE made the decision it made.

Make sure your findings of fact relate to the issues brought forth.

If the appellant has made an assertion as to why the value should be lower, make sure your conclusions address the assertion as to why it was or was not considered appropriate. If the court can't understand your findings, it will probably send the case back to the Board.



Appeal Review Law, Fact, and Discretion

Legal authority, correct application of law

Substantial evidence test:

- Whole record
- Relevant evidence for and against

Abuse of discretion test:

- Arbitrary and Capricious – willful and unreasonable action without consideration or in disregard of facts or law or without determining principle



Late Filed Appeals

The BOE may allow a late filing if the owner was unable to comply with the 30 day appeal period.

The BOE should have, in place, written criteria of why someone may file late appeal.

Be consistent with approval/denials with applications of late file requests.

Assessor's office mails notification to last known address or owner.

A sale of property that occurs after the mailing of notice does not negate the original 30 day filing period, because notice was made.



Alaska Statutes

AS 29.45.110 through AS 29.45.210 provide the legal authority of the Board of Equalization to hear appeals of an alleged error in valuation. See appendix attached to this presentation for a copy of these statutes as of 2017.

Assessments are guided both by statute, and by Alaska Court cases. There have been several court cases through the years which assist the assessor in applications of standards, such as Possessory Interests, Farm Use, and other disputed issues.



Some (Bad) Reasons Given for Value Reduction

- **Taxes are too high**
- **Value increase too much**
- **No improvements made to property**
- **Neighbors house valued less**
- **Not enough services from Municipality for taxes paid**
- **Value is just plain excessive, improper and unequal**
- **Didn't receive assessment notice**



Some BOE “Don’ts”

- **DO NOT** offer a small deduction to “help out” the appellant
- **DO NOT** bring in your own comparables; you should consider only what is presented at the hearing
- **DO NOT** expect your assessor to provide a long narrative appraisal report
- **DO NOT** try to review a case where the question is a matter of law, not value
- **DO NOT** attempt to re-appraise the property unless the burden of proof has been met by the appellant. Then make a determination of value based upon the information provided or you may also remand the appeal back to the assessor
- **DISASTERS** – All assessments are made as of January 1 of the tax year. Post-Assessment date property tragedies cannot be changed by the BOE. See AS 29.45.230 provided in the appendix.



BOE "Do's"

- **Do show both the appellant and the assessment staff the courtesy of your attention, discuss weight given to issues**
- **Do make your decisions based upon ONLY the facts presented at the hearing**
- **Do leave your "appraisal calculator" at the front door**
- **Do remember that the Assessor's staff are professional appraisers who have been to schools on appraisal standards and techniques; the appellant, typically, has not**



Summary

The BOE sits in review of the assessments prepared by the Assessor

The BOE does not make a new appraisal

The BOE should make a determination of value based upon issues presented at the hearing

Your determination should include all findings of fact that led to the decision by the BOE



THANK YOU

FOR YOUR TIME

AND YOUR WILLINGNESS

TO SERVE ON THE BOE



Appendix A: Alaska Statutes

Sec. 29.45.110. Full and true value.

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. 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.

(b) Assessment of business inventories may be based on the average monthly method of assessment rather than the value existing on January 1. The method used to assess business inventories shall be prescribed by the governing body.

(c) In the case of cessation of business during the tax year, the municipality may provide for reassessment of business inventories using the average monthly method of assessment for the tax year rather than the value existing on January 1 of the tax year, and for reduction and refund of taxes. In enacting an ordinance authorized by this section, the municipality may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.

(d) The provisions of this subsection apply to determine the full and true value of property that qualifies for a low-income housing credit under 26 U.S.C. 42:

(1) when the assessor acts to determine the full and true value of property that qualifies for a low-income housing credit under 26 U.S.C. 42, instead of assessing the property under (a) of this section, the assessor shall base assessment of the value of the property on the actual income derived from the property and may not adjust it based on the amount of any federal income tax credit given for the property; for property the full and true value of which is to be determined under this paragraph, to secure an assessment under this subsection, an owner of property that qualifies for the low-income housing credit shall apply to the assessor before May 15 of each year in which the assessment is desired; the property owner shall submit the application on forms prescribed by the assessor and shall include information that may reasonably be required to determine the entitlement of the applicant;

(2) the governing body of the municipality shall determine by ordinance whether the full and true value of all property within the municipality that first qualifies for a low-income housing credit under 26 U.S.C. 42 on and after January 1, 2001, shall be exempt from the requirement of assessment under (1) of this subsection; thereafter, for property that first qualifies for a low-income housing credit under 26 U.S.C. 42 on and after January 1, 2001, and that, by ordinance, is exempt from the requirement of mandatory assessment under (1) of this subsection, the governing body

(A) may determine, by parcel, whether the property shall be assessed under (a) of this section or on the basis of actual income derived from the property without adjustment based on the amount of any federal income tax credit given for the property, as authorized by (1) of this subsection; and

(B) may not, under (A) of this paragraph, change the manner of assessment of the parcel of property if debt relating to the property incurred in conjunction with the property's qualifying for the low-income housing tax credit remains outstanding.



Appendix A: Alaska Statutes

Sec. 29.45.120. Returns.

(a) The municipality may require each person having ownership or control of or an interest in property to submit a return in the form prescribed by the assessor, based on property values of property subject to an ad valorem tax existing on January 1, except as otherwise provided in this chapter.

(b) The assessor may, by written notice, require a person to provide additional information within 30 days.

Sec. 29.45.130. Independent investigation.

(a) The assessor is not bound to accept a return as correct. The assessor may make an independent investigation of property returned or of taxable property on which no return has been filed. In either case, the assessor may make the assessor's own valuation of the property subject to an ad valorem tax and this valuation is prima facie evidence of the value of the property.

(b) For investigation, the assessor or the assessor's agent may enter real property during reasonable hours to examine visible personal property and the exterior of a dwelling or other structure on the real property. The assessor or the assessor's agent may enter and examine the interior of a dwelling or other structure or the personal property in it only (1) if the structure is under construction and not yet occupied; (2) with the permission of a person in actual possession of the structure; or (3) in accordance with a court order to compel the entry and inspection. The assessor or the assessor's agent may examine all property records involved. A person shall, on request, furnish to the assessor or the assessor's agent assistance for the investigation and permit the assessor or the assessor's agent to enter a dwelling or other structure to examine the structure or personal property in it during reasonable hours. The assessor may seek a court order to compel entry and production of records needed for assessment purposes.

(c) An assessor may examine a person on oath. On request, the person shall submit to examination at a reasonable time and place selected by the assessor.

Sec. 29.45.140. Violations; authorization to prescribe penalties by ordinance.

For knowingly failing to file a tax statement required by ordinance or knowingly making a false affidavit to a statement required by a tax ordinance relative to the amount, location, kind, or value of property subject to taxation with intent to evade the taxation, a municipality may by ordinance prescribe a penalty not to exceed a fine of \$1,000 or imprisonment for 90 days.

Sec. 29.45.150. Reevaluation.

A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the municipality directing a systematic reevaluation of all taxable property in the municipality over the shortest period of time practicable, as fixed in the resolution or act.



Appendix A: Alaska Statutes

Sec. 29.45.160. Assessment roll.

- (a) The assessor shall prepare an annual assessment roll. The roll must contain
- (1) a description of all property subject to an ad valorem tax;
 - (2) the assessed value of all property subject to an ad valorem tax;
 - (3) the names and addresses of persons with property subject to an ad valorem tax.
- (b) The assessor may list real property by any description that may be made certain. Real property is assessed to the record owner. The district recorder shall at least monthly provide the assessor a copy of each recorded change of ownership showing the name and mailing address of the owner and the name and mailing address of the person recording the change of ownership. Other persons having an interest in the property may be listed on the assessment records with the owner. The person in whose name property is listed as owner is conclusively presumed to be the legal record owner. If the property owner is unknown, the property may be assessed to "unknown owner". An assessment is not invalidated by a mistake, omission, or error in the name of the owner, if the property is correctly described.

Sec. 29.45.170. Assessment notice.

- (a) The assessor shall give each person named in the assessment roll a notice of assessment showing the assessed value of the person's property that is subject to an ad valorem tax. On each notice is printed a brief summary of the dates when taxes are payable, delinquent, and subject to penalty and interest, and the dates when the board of equalization will sit.
- (b) Sufficient assessment notice is given if mailed by first class mail 30 days before the equalization hearings. If the address is not known to the assessor, the notice may be addressed to the person at the post office nearest the property. Notice is effective on the date of mailing.

Sec. 29.45.180. Corrections.

- (a) A person receiving an assessment notice shall advise the assessor of errors or omissions in the assessment of the person's property. The assessor may correct errors or omissions in the roll before the board of equalization hearing.
- (b) If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing 30 days for appeal to the board of equalization.



Appendix A: Alaska Statutes

Sec. 29.45.190. Appeal.

- (a) A person whose name appears on the assessment roll or the agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.
- (b) The appellant shall, within 30 days after the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that the board of equalization may require. Otherwise, the right of appeal ceases unless the board of equalization finds that the taxpayer was unable to comply.
- (c) The assessor shall notify an appellant by mail of the time and place of hearing.
- (d) The assessor shall prepare for use by the board of equalization a summary of assessment data relating to each assessment that is appealed.
- (e) A city in a borough may appeal an assessment to the borough board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city.

Sec. 29.45.200. Board of equalization.

- (a) The governing body 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 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.
- (b) The board of equalization is governed in its proceedings by rules adopted by ordinance that are consistent with general rules of administrative procedure. The board may alter an assessment of a lot only pursuant to an appeal filed as to the particular lot.
- (c) 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.

Sec. 29.45.210. Hearing.

- (a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.
- (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. If a valuation is found to be too low, the board of equalization may raise the assessment.
- (c) The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments, the assessor shall enter the changes and certify the final assessment roll by June 1.
- (d) An appellant or the assessor may appeal a determination of the board of equalization 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 board of equalization.



Appendix A: Alaska Statutes

Sec. 29.45.190. Appeal.

- (a) A person whose name appears on the assessment roll or the agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.
- (b) The appellant shall, within 30 days after the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that the board of equalization may require. Otherwise, the right of appeal ceases unless the board of equalization finds that the taxpayer was unable to comply.
- (c) The assessor shall notify an appellant by mail of the time and place of hearing.
- (d) The assessor shall prepare for use by the board of equalization a summary of assessment data relating to each assessment that is appealed.
- (e) A city in a borough may appeal an assessment to the borough board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city.

Sec. 29.45.200. Board of equalization.

- (a) The governing body 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 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.
- (b) The board of equalization is governed in its proceedings by rules adopted by ordinance that are consistent with general rules of administrative procedure. The board may alter an assessment of a lot only pursuant to an appeal filed as to the particular lot.
- (c) 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.

Sec. 29.45.210. Hearing.

- (a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.
- (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. If a valuation is found to be too low, the board of equalization may raise the assessment.
- (c) The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments, the assessor shall enter the changes and certify the final assessment roll by June 1.
- (d) An appellant or the assessor may appeal a determination of the board of equalization 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 board of equalization.



Appendix A: Alaska Statutes

Sec. 29.45.230. Tax adjustments on property affected by a disaster.

- (a) The municipality may by ordinance provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a disaster.
- (b) An assessment or reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that losses exceed \$1,000. A reduction of taxes may be made only on losses in excess of \$1,000 for the remainder of the year following the disaster. On reassessment, the municipality shall recompute this tax and refund taxes that have already been paid.
- (c) The municipality shall give notice of assessment or reassessment under this section and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal must be filed with the board of equalization within 10 days after notice of assessment or reassessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.
- (d) In an ordinance authorized by this section, the municipality shall establish criteria for the reduction of taxes on property damaged, destroyed, or otherwise reduced in value as a result of disaster, and may, consistent with this section, prescribe procedures, restrictions, and conditions for assessing or reassessing property and for remitting, refunding, or forgiving taxes.
- (e) [Repealed, § 3 ch 1 SLA 2004.]

BOE TRAINING – CBJ LAW

- 1. BOE Orientation Outline**
- 2. CBJ Law 2013 Memo Regarding Board Duties w/o attachments**
- 3. CBJ Code Title 15 Excerpts**
- 4. BOE Hearing Guidelines**
- 5. Late-Filed Appeals**
- 6. Real Property Appeal Form**
- 7. Business Personal Property Appeal Form**

BOARD OF EQUALIZATION ORIENTATION

NOTE: Members are encourage to review the attached April 19, 2013 Memorandum prepared by former City Attorney John Hartle, for further helpful guidance..

A. Quasi-Judicial Role & Responsibilities - CBJ 15.05.185

1. Be a fair & impartial tribunal - no bias/preconceived ideas; no ex parte contact
 - a. Member may not deliberate or vote on any matter in which member has a personal or financial interest (defined in CBJ 01.45.360); conflict of interest check needed prior to hearing to allow substitution; may call legal advisor
 - b. **Avoid expressing opinions or including commentary in questions to the parties.**
 - c. **Opinions on the evidence/position of parties should await BOE deliberations.**
2. Afford both parties due process - fair notice and opportunity to be heard

Must allow both sides time to review new evidence presented at hearing
3. Decide appeals on *evidence presented* in packet and at hearing.
4. Make record of proceeding that clearly and accurately reflects:
 - a. Taxpayer/Appellant's claim and factual evidence offered to support it
 - b. Assessor's process/position and factual evidence offered to support both
 - c. That each side had adequate opportunity to present relevant evidence/review & rebut other party's evidence
 - d. BOE's thorough deliberations & consideration of the evidence
 - e. BOE's findings of fact & conclusions of law re burden of proof & the evidence relied on as basis of decision
 - f. Rationale & evidentiary basis of BOE's decision, to enable meaningful review by the Superior Court in the event of an appeal

B. Legal Standard for Granting Appeal on Merits for *Error in Valuation*

1. Starting point: under AK law, Assessor's **assessments are presumed to be correct.**
2. **Burden of proof on Appellant to prove error - unequal, excessive, improper, or under valuation based on facts** that are stated in a valid written appeal or proven at the appeal hearing
3. If and only if Appellant meets burden does burden shift to Assessor to rebut Appellant's evidence of error

4. Law does not bind Assessor to follow a particular formulas, rules or methods of valuation, but grants broad discretion in selecting valuation methods-as long as reasonable basis

5. Technical evidentiary rules don't apply
Relevant evidence admissible if sort relied on by responsible persons
May exclude irrelevant, repetitious evidence

6. **Only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts**

C. Alternative Actions for Appeals Heard on the Merits

a. **Deny appeal** because Appellant failed to prove error in valuation with factual evidence.

b. **Grant appeal & adjust assessment *as requested by Appellant***. (only if Appellant's valuation evidence supports proposed assessment value)

c. **Grant appeal & *adjust (lower or raise) assessment differently***. (if and only if supported by sufficient evidence of value in record.)

d. **Grant appeal & *remand to Assessor for reconsideration of value*** (remand is mandatory if error found, but insufficient evidence of value in record.)

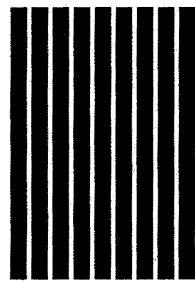
D. LATE-FILED APPEALS – Legal Standard for Accepting

1. Potential *merit* of appeal is irrelevant.
2. Jurisdictional authority to hear only *timely-filed appeals*
3. Appeal must be filed w/in 30 days from date assessment notice is mailed
4. Only "accepted" late-filed appeals may proceed to a hearing on the merits.
5. If 30 day deadline missed, RIGHT to appeal CEASES and BOE **cannot accept or hear** appeal, **unless BOE finds that taxpayer was unable to comply due to situation beyond taxpayer's control** (See Hartle memo)
6. Burden to prove inability to comply is on Taxpayer.
7. BOE Action Alternatives: **Deny** Late-file or **Accept, so hearing can be scheduled.**

Questions? Please do not hesitate to call or email:

Jane Mores, CBJ Law Dept.

jane.mores@juneau.org (907) 586-0273



MEMORANDUM

CBJ Law Department

To: Board of Equalization
From: John W. Hartle, City Attorney 
Subject: Board of Equalization: Standards and Procedures
Date: April 19, 2013

SUMMARY

- (1) The Board of Equalization functions as a quasi-judicial body, which means that the Board has authority to hear and decide assessment appeals in a manner similar to a court, but less formal than a court.
- (2) The burden of proof is on the appellant property owner.
- (3) The Board should make specific findings in support of its decisions, and should base its decisions on the record.
- (4) To grant an appeal, Board members should make a motion to grant the appeal and vote in the affirmative; to deny an appeal (that is, uphold the assessor's decision), Board members should make a motion to grant the appeal and vote in the negative. The Board may also grant an appeal and make an adjustment to the assessment different from that requested by the appellant.
- (5) The assessment process, the Board's procedures and standards, and property taxation are all governed by Alaska Statute and CBJ Code. AS 29.45.190 - AS 29.45.210 provide the time for filing appeals, procedures before the Board, and the standards to be used by the Board in deciding appeals. The pertinent statutes and code sections are attached to this memorandum for your reference.

DEADLINE FOR FILING APPEAL

In order to appeal an assessment, a taxpayer must file an appeal within 30 days after the date of mailing of the assessment notice. AS 29.45.190(b); CBJ 15.05.160(a). After this time period, the right of appeal ceases, unless the Board finds that the taxpayer was “unable” to comply with the 30-day filing requirement. The word “unable” as used in this section does not include situations where the taxpayer forgot about or overlooked the assessment notice, was out of town during the period for filing an appeal, or similar situations. Rather, it covers situations that are beyond the control of the taxpayer and, as a practical matter, prevent the taxpayer from recognizing what is at stake and dealing with it. Such situations would include a physical or mental disability serious enough to prevent the person from dealing rationally with his or her private affairs.

There are few situations in which a taxpayer is “unable” to comply with the requirement that an appeal be filed within 30 days of the date of mailing of the notice of assessment. It is common knowledge that real property is subject to assessment and taxation and it is the duty of every property owner to take such steps as are necessary to protect his or her interests in the property. One of the steps that courts generally assume a prudent property owner takes is to have someone either watch or manage the property while the property owner is away from the property for an extended period of time.

It is the responsibility of the property owner to assure that the taxing authority has the correct address to which notices relating to assessments and taxes on the property may be sent in order that the property owner will receive timely notice of assessments and tax levies affecting the property. Failure to receive an assessment notice because it was sent to an old address that the property owner had not corrected, or because the notice was sent to the property owner at the correct address but while the property owner was out of town, are not reasons that make the property owner “unable” to file a timely appeal.

With respect to an appeal filed after expiration of the 30-day appeal period, the Board should consider the oral and written evidence presented by the property owner on the question of whether or not the owner was “unable” to file the appeal within the required 30-day appeal period. If the property owner fails to prove that he or she was “unable” to file the appeal in a timely manner, there is no basis for hearing the appeal, even if the Board believes the assessment should be adjusted.

ASSESSMENTS THE BOARD CAN CONSIDER

The Board has authority to alter an assessment only when an appeal has been timely filed regarding the particular parcel. AS 29.45.200(b). The Board has no authority to alter the assessment of a parcel that is not before the Board on an appeal. Under state law, an appeal may be filed only by a person whose name appears on the assessment roll or the agent of that person. AS 29.45.190(a); CBJ 15.05.150.

If an appellant fails to appear at the hearing, the Board may proceed with the hearing in the absence of the appellant. AS 29.45.210(a); CBJ 15.05.190(b). The appellant may appear through an agent or representative, and may present written and/or oral testimony or other materials to the Board in support of the appeal.

BASIS FOR ADJUSTMENT AND ASSESSMENT

AS 29.45.210(b) and CBJ 15.05.190 expressly place the burden of proof on the party appealing the assessment. *CH Kelly Trust v. Municipality of Anchorage, Bd. of Equalization*, 909 P.2d 1381 (Alaska 1996) (“the burden is properly placed on the property owners in an assessment challenge”). Before the property owner is entitled to an adjustment, the property owner must prove, based on facts stated in the written appeal or presented at the hearing, that the property is the subject of unequal, excessive, improper, or under valuation. AS 29.45.210(b); CBJ 15.05.180(c). The appellant may present written evidence, oral testimony, and witnesses at the hearing.

Alaska courts do not disturb valuations set by the assessor if the differences between the appellant and the assessor are merely differences of opinion. Our court applies a “deferential standard of review” when considering an assessor’s property valuations. *Cool Homes, Inc. v. Fairbanks N. Star Borough*, 860 P.2d 1248, 1262 (Alaska 1993); *Fairbanks N. Star Borough v. Golden Heart Utilities, Inc.*, 13 P.3d 263, 267 (Alaska 2000). “AS 29.45.210(b) requires that the taxpayer prove *facts* at the hearing. ... It is not enough merely to argue that the valuation was inadequate or demand a justification from the taxing authority.” *Cool Homes, Inc.*, at 1263 (emphasis in original).

In *Twentieth Century Investment Co. v. City of Juneau*, 359 P.2d 783, 787 (Alaska 1961), the court, addressing assessment standards under former, similar law (AS 29.53.140), stated:

The valuation and assessment of property for taxes does not contravene [constitutional principles] unless it is plainly demonstrated that there is

involved, not the exercise of the taxing power, but the exertion of a different and forbidden power, such as the confiscation of property. *Such a demonstration is not made simply by showing overvaluation; there must be something which, in legal effect, is equivalent to an intention or fraudulent purpose to place an excessive valuation on property, and thus violate fundamental principles that safeguard the taxpayer's property rights.*

(Emphasis added.) The court went on to state, at 788:

The City was not bound by any particular formula, rule or method, either by statute or otherwise. Its choice of one recognized method of valuation over another was simply the exercise of a discretion committed to it by law. Whether or not it exercised a wise judgment is not our concern. This court has nothing to do with complaints of that nature. It will not substitute its judgment for the judgment of those upon whom the law confers the authority and duty to assess and levy taxes. *This court is concerned with nothing less than fraud or the clear adoption of a fundamentally wrong principle of valuation.* Neither has been shown here. The actions of the assessor and the Board of Equalization are entirely compatible with a sincere effort to adopt valuations not relatively unjust or unequal; their determinations have not transgressed the bounds of honest judgment.

(Emphasis added.) This principle, that “taxing authorities are to be given broad discretion in selecting valuation methods,” was reaffirmed in *CH Kelly Trust*, 909 P.2d at 1382, and *Golden Heart Utilities, Inc.*, 13 P.3d at 267 (“Provided the assessor has a reasonable basis for a valuation method, that method will be allowed ‘so long as there was no fraud or clear adoption of a fundamentally wrong principle of valuation.’”). Similarly, in *Cool Homes, Inc.*, 860 P.2d at 1262, the court held:

Taxing authorities are to be accorded broad discretion in deciding among recognized valuation methods. If a reasonable basis for the taxing agency's method exists, the taxpayer must show fraud or the ‘clear adoption of a fundamentally wrong principle of valuation.’

Thus, the assessor's valuations should be given substantial weight by the Board, particularly where the appellant offers little more than unsupported opinion that the assessor's value is too high. In order to be considered an unequal, excessive, improper, or under valuation, the valuation must be unequivocally excessive, or fundamentally wrong.

This assumes that the assessor has reviewed the critical facts. Our court requires the assessor to review all “directly relevant” evidence of the property value and “prevailing market conditions.” *Faulk v. Bd. of Equalization, Kenai Peninsula Borough*, 934 P.2d 750, 752 (Alaska 1997). Thus, it is important that the assessor, and the Board, make sure that all relevant evidence is considered.

FINDINGS – BASIS FOR THE BOARD’S DECISIONS

Board of Equalization decisions are subject to judicial review, if an appeal to superior court is filed within 30 days. Consequently, it is important for the Board to either make specific findings (statement of reasons) for its decisions, or otherwise set out sufficient information to enable a reviewing court to ascertain the reasons for the Board’s action. An appeal to superior court of a determination of the Board is heard on the record established at the Board hearing. AS 29.45.210(d). It is important that the record be as clear and complete as possible.

The Alaska Supreme Court outlined the requirements for board of equalization decisions in *Faulk*, 934 P.2d at 751, as follows:

We have previously concluded that “[t]he threshold question in an administrative appeal is whether the record sufficiently reflects the basis for the [agency’s] decision so as to enable meaningful judicial review.” *Fields v. Kodiak City Council*, 628 P.2d 927, 932 (Alaska 1981). In answering that question, “[t]he test of sufficiency is ... a functional one: do the [agency’s] findings facilitate this court’s review, assist the parties and restrain the agency within proper bounds?” *South Anchorage Concerned Coalition, Inc. v. Coffey*, 862 P.2d 168, 175 (Alaska 1993).

The court remanded the case to the borough board of equalization because the board had not provided an adequate basis for the court to determine whether it had reasonably denied the property tax appeal. The court directed: “On remand, the superior court should instruct the Board to state its reasons for rejecting the Faulks’ appeal.” *Id.* at 753.

Accordingly, the Board should take care to state its reasons for granting or denying an appeal, or making an adjustment to the assessment different from that requested by the appellant.

ACTION BY THE BOARD OF EQUALIZATION

In taking action on appeals, a Board member should move and vote in the affirmative to grant the appeal by the taxpayer. A Board member should vote in the negative to deny the appeal and thereby affirm the assessor's determination.

Sample motions: "I move that the Board grant the appeal and I ask for a 'yes' vote for the reasons provided by the appellant;" OR "I move the Board grant the appeal, and I ask for a 'no' vote for the reasons provided by the Assessor;" OR "I move the Board grant the appeal and I ask for a 'yes' vote to adjust the assessment to \$X for the following reasons [statement of reasons]."

For appeals that are not timely filed, the Board should first vote on whether or not to hear the appeal; if the Board decides to hear the appeal, it should then be heard on its merits.

The Board is required to certify its actions to the assessor within seven days, and, except as to supplementary assessments, the assessor must enter the changes and certify the final roll by June 1. AS 29.45.210(c). The rate of levy must be determined by the Assembly by ordinance before June 15. AS 29.45.240. The CBJ budget must be adopted by May 31. If for any reason the Board hearing is continued to a later date, the date for completing the hearing must be in the near future in order for the final assessment roll to be certified and the rate of levy fixed in accordance with the required statutory time frames.

Attachments

15.05.185 - Board of equalization.

(a) *Membership; duties; term of office; term limits.*

- (1) *Membership.* The board of equalization shall comprise a pool of no less than six, and up to nine, members, not assembly members, appointed by the assembly. There shall be up to three panels established each year. Each panel hearing appeals shall consist of three members. The board chair shall assign members to a specific panel and schedule the panels for a calendar of hearing dates. The assignment of members to panels and the establishment of a hearing calendar shall be done in consultation with the individual members. Additionally, members may be asked to take the place of regular assigned panel members in the event an assigned panel member is unable to attend a scheduled meeting.
 - (2) *Qualifications of members.* Members shall be appointed on the basis of their general business expertise and their knowledge or experience with quasi-judicial proceedings. General business expertise may include, but is not limited to, real and personal property appraisal, the real estate market, the personal property market, and other similar fields.
 - (3) *Duties.* The board, acting in panels, shall only hear appeals for relief from an alleged error in valuation on properties brought before the board by an appellant. A panel hearing a case must first make a determination that an error in valuation has occurred. Following the determination of an error in valuation the panel may alter an assessment of property only if there is sufficient evidence of value in the record. Lacking sufficient evidence on the record the case shall be remanded to the assessor for reconsideration. A hearing by the board may be conducted only pursuant to an appeal filed by the owner of the property as to the particular property.
 - (4) *Term of office.* Terms of office shall be for three years and shall be staggered so that approximately one-third of the terms shall expire each year.
 - (5) *Term limits.* No member of the board of equalization who has served for three consecutive terms or nine years shall again be eligible for appointment until one full year has intervened, provided, however, that this restriction shall not apply if there are no other qualified applicants at the time reappointment is considered by the assembly human resources committee.
- (b) *Chair.* The board annually shall elect a member to serve as its chair. The chair shall coordinate all board activities with the assessor including assignment of panel members, scheduling of meetings, and other such board activities.
- (c) *Presiding officer.* Each panel shall elect its own presiding officer to act as the chair for the panel and shall exercise such control over meetings as to ensure the fair and orderly resolution of appeals. In the absence of the elected presiding officer the panel shall appoint a temporary presiding officer at the beginning of a regular meeting. The presiding officer shall make rulings on the admissibility of evidence and shall conduct the proceedings of the panel in conformity with this chapter and with other applicable federal, state and municipal law.
- (d) *Report to the assembly.* The board, through its chair, shall submit an independent report to the assembly each year by September 15 identifying, at a minimum, the number of cases appealed, the number of cases scheduled to be heard by the board, the number of cases actually heard, the percentage of cases where an error of valuation was determined to exist, the number of cases remanded to the assessor for reconsideration, the number of cases resulting in the board altering a property assessment, and the net change to taxable property caused by board action. The report shall also include any comments and recommendations the board wishes to offer concerning changes to property assessment and appeals processes.

(Serial No. 2005-51(c)(am), § 4, 1-30-2006)

**LATE FILES Petition For Review/Appeal
Statutory and CBJ Policy Guidelines**

CBJ Code 15.05.160 – Time for appeal and service of notice.

- (a) Notice of appeal, in writing, specifying the grounds for the appeal, shall be filed with the board of equalization within 30 days after notice of assessment is mailed to the person appealing. If notice of appeal is not mailed within 30 days, the right of appeal ceases as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board of equalization that the taxpayer was unable to appeal within that time.
- (b) A copy of the notice of appeal shall be sent to the assessor, by the person appealing, and the notice filed shall include a certificate that a copy was mailed or delivered to him or her.

Alaska Statute – Sec 29.45.190. Appeal.

- (a) A person whose name appears on the assessment roll or the agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.
- (b) The appellant shall, within 30 days after the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that the board of equalization may require. Otherwise, the right of appeal ceases unless the board of equalization finds that the taxpayer was unable to comply.

BOE HEARING GUIDELINE

- I. Call to Order
 - II. Roll Call - Chairs asks clerk to call the roll
 - III. Appeals will be heard first, followed by *Timeliness* Hearings on Late-filed Appeals
 - IV. Introduce first Appeal case for hearing:

We're on the record with respect to 'Petition for Review of Assessed Value' filed by _____ with respect to Parcel Id. No. _____
 - IV. Review Hearing Rules/Procedure (For each appeal, unless all in attendance at beginning)
 - A. Time allocated to each side: approx. 15 min, including BOE questions
 - B. State name for record and speak clearly in to mic, use surnames/maintain decorum
 - C. Appellant taxpayer goes 1st
Has **burden to prove an error—an unequal, excessive, improper or under valuation** based on presented factual evidence
 - D. Assessor - presents Assessor's evidence in response
 - E. Appellant rebuttal, if time reserved
 - F. Hearing closes after presentations
 - G. BOE action/deliberation
 - H. Any questions? Parties ready to proceed?
 - V. Hearing - party presentations & all BOE questioning
 - VI. Close Hearing, move to BOE action
 - A. BOE reviews/discusses evidence presented, or goes directly to B.
 - B. Member makes motion, Chair restates motion
 - C. Members speak to the motion/make findings
 - D. BOE votes/takes action on motion
 - E. Chair announces whether motion carries/fails
 - VII. Call next appeal, repeat IV – VI
 - VIII. Late-Filed Appeals, if any (SEE LATE-FILED APPEALS – PROCESS)
 - IX. Adjourn
-

BOE Action Options:

1. **Deny appeal** because Appellant failed to prove error in valuation with factual evidence.
2. **Grant appeal & adjust assessment as requested by Appellant.** (if Appellant's evidence supports proposed assessment value)
3. **Grant appeal & adjust (lower or raise) assessment differently.** (if and only if supported by sufficient evidence of value in record.)
4. **Grant appeal & remand to Assessor for reconsideration of value** (remand is mandatory if error found, but insufficient evidence of value in record.)

SAMPLE MOTIONS

1. To DENY appeal

I MOVE that the Board GRANT the appeal and I ASK for a NO VOTE

Because . . .

Appellant didn't prove/provide evidence of error in assessment
and/or

For the evidence/reasons provided by the Assessor . . .

2. To GRANT appeal & ADJUST assessment AS REQUESTED

I MOVE that the Board GRANT the appeal and ADJUST the assessment AS REQUESTED BY APPELLANT to \$_____, and I ask for a YES VOTE

Because . . .

Appellant proved there was error . . .

[specify . . . **unequal, excessive, improper, or under valuation**]
based on facts

AND

We find requested assessment is supported by sufficient evidence in the record

3. To GRANT appeal & ADJUST assessment OTHERWISE

I MOVE that the Board GRANT the appeal and ADJUST the assessment to \$_____, and I ASK FOR A YES VOTE

Because . . .

Appellant proved there was error . . .

[specify . . . **unequal, excessive, improper, or under valuation**]
based on facts

AND

We find sufficient evidence of value in record to support this assessment

4. To GRANT appeal & REMAND for RECONSIDERATION of ASSESSMENT

I MOVE that the Board GRANT the appeal and REMAND to the ASSESSOR for RECONSIDERATION of the ASSESSMENT, and I ASK FOR A YES VOTE

Because . . .

Appellant proved there was error . . .

[specify . . . **unequal, excessive, improper, or under valuation**]
based on facts

AND

We find insufficient evidence of value in the record

Questions? Please do not hesitate to call or email:

Jane Mores, CBJ Law Dept.

jane.mores@juneau.org (907) 586-0273

LATE-FILED APPEALS

1. Intro

We are on the record with respect to a Request for Approval of Late-Filed Appeal filed by _____ with respect to Parcel Id. No. _____

The sole issue to be considered today is whether or not your late appeal will be accepted and heard. No discussion about your assessment itself or the merit of your appeal is appropriate at this hearing. If the panel accepts your late-filed appeal, it will be scheduled for a future hearing.

At this time, **the burden of proof is on you, as the taxpayer, to prove you were unable to comply with the 30-day filing deadline due to a situation beyond your control.** "Unable" to comply with the filing requirement does not include situations in which you forgot or overlooked the assessment notice, were out of town during the filing period, or similar situations. Because the property owner is responsible for keeping a current address on file with the assessor's office, it also does not apply if you did not get the notice because you failed to notify the Assessor of your current address. Rather, "unable to comply" means situations beyond your control that prevent you from recognizing what is at stake and dealing with it, like a physical or mental disability serious enough to prevent you from dealing rationally with your private affairs.

We have your written Request for Approval of Late File on hand. As this is your opportunity to present evidence on why you didn't comply with the 30 day deadline, do you have further information to provide the BOE on that issue?

2. Taxpayer presentation & BOE question, if any
3. Close hearing, move to BOE action
4. Member makes motion, Chair restates
5. Members speak to motion/make findings
6. BOE votes on motion
7. Chair announces whether motion carries/fails:
 - Whether late-filed appeal will be accepted & set for a hearing
 - Whether late-filed appeal will be rejected/denied for untimeliness.

SAMPLE MOTIONS FOR LATE-FILE APPEALS

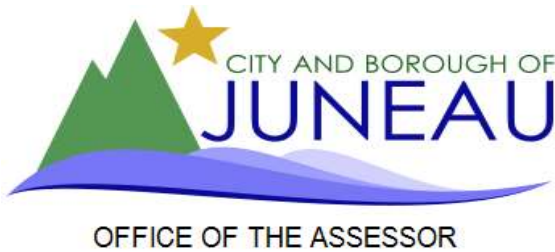
(Best to word motions in the positive & ask for yes or no vote;

1. TO REJECT LATE-FILE APPEAL:

I MOVE THAT THE BOARD **ACCEPT AND HEAR** THE LATE-FILED APPEAL **AND I ASK FOR A NO VOTE** FOR THE REASON THAT APPELLANT HAS NOT PROVEN HE/SHE COULD NOT COMPLY WITH THE FILING DEADLINE;

2. TO ACCEPT LATE-FILED APPEAL

I MOVE THAT THE BOARD **ACCEPT AND HEAR** THE LATE-FILED APPEAL **AND I ASK FOR A YES VOTE** FOR THE REASONS PROVIDED BY THE APPELLANT



155 S Seward St Rm 114 Juneau AK 99801
907-586-5215 ext 4033(phone)
907-586-4520(fax)

REQUEST FOR APPROVAL OF LATE FILE APPEAL

Statutory and Policy Guidelines (attached):

- Alaska Statute Sec 29.45.190. Appeal.
- CBJ Code 15.05.160 – Time for appeal and service of notice.
- CBJ Law Department Memorandum dated April 19, 2013, Board of Equalization:
 - Standards and Procedures see page 2 for discussion about “unable to appeal”

Summary:

When a person submits a late appeal after the 30-day appeal period, the Board of Equalization (BOE) must make a determination as to whether the appellant was “unable” to comply as prescribed by statute and code. If the BOE decides that the appellant was “unable” to comply, the appeal can then be accepted and processed by the CBJ Assessor’s Office as if timely. The steps are as follows:

1. Apply for late file:
 - _____ compose a *letter explaining why your appeal was untimely*
 - _____ complete a *Petition for Review/Appeal form* and attach to your letter
 - _____ submit both documents to Assessor’s Office
2. A BOE hearing will be held: 10 days before the BOE hearing, the City Clerk will mail you a certified letter with the date and location of the hearing. Whether or not to attend is your decision, it is not mandatory.
3. A determination is made: The BOE will either *allow* or *not allow* your appeal to be accepted and processed as if timely by the CBJ Assessor’s Office; if allowed, the review process will begin, if not allowed, the case will be closed. If you wish to appeal the BOE’s determination, the Alaska Superior Court is your only avenue for remedy.

The term ‘unable’ does **NOT** include situations in which the taxpayer forgot, overlooked, did not receive the assessment notice, or was out of town. Rather, it covers situations beyond the control of the taxpayer and, as a practical matter, prevents the taxpayer from recognizing what is at stake and dealing with it. Such situations would include a physical or mental disability serious enough to prevent the person from dealing rationally with his or her private affairs.

LETTER OF EXPLANATION FOR LATE-FILE APPEAL			
Parcel ID #:		Date:	
Appellant Name:			
Appellant Signature:			
Site Location:			
Mailing Address:			
Phone #:			
Email Address:			
In the space below please state why you were unable to appeal by the established 30-day deadline:			



City and Borough of Juneau
Finance Department, Assessor's Office
155 S. Seward St, Juneau, AK 99801
Phone 907-586-5215, Fax 907-586-4520
Email Assessor.Office@juneau.org

How to File Petition for Review (Appeal) of Assessed Value

The Assessor's Office is available to answer questions about the assessed value of your real or business personal property. We can be reached by phone or email as listed above.

If you wish to file a Petition for Review you do not need to come into our office. A Petition for Review can be filed through email, fax, mail or the Borough drop boxes. We can answer questions you may have and assist you in filling out the form via phone or email.

The process for review of your assessed value is basically a two-step process. The first step is an Administrative Review where we look at your information and determine whether or not we feel a change is warranted. If so, and it meets with your agreement, we make the adjustment and close the review. If you do not agree with our conclusion, then you have the right to proceed to the second step which is the formal Appeal heard by the Board of Equalization.

We encourage you to contact us via phone or email with questions you may have.

We can provide assistance by:

- answering questions over the phone
- emailing you documentation or explanations
- pointing you to online resources

The Petition for Review form is a two page (one sheet, two sided) form. In filing the form all you need to fill out is the first page. If you have questions we can provide assistance or explain any part of the form via a phone call or email.

The **filing deadline** for a Review/Appeal for assessment year 2021 is **Monday, May 3**.

Thank you for your cooperation in limiting in-person or physical contact during this year's process.

Links:

- Assessor's Database- <https://property.juneau.org/>
- Parcel Map- <http://epv.juneau.org/>
- Assessor Forms- <https://beta.juneau.org/finance/assessor-forms>

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

Assessment Year	2021
Parcel ID Number	

For Office Use:	Review #	Appeal #
-----------------	----------	----------

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

ASSESSOR'S FILES ARE PUBLIC INFORMATION – DOCUMENTS FILED WITH AN APPEAL BECOME PUBLIC INFORMATION

Parcel ID Number					
Owner Name			Name of Applicant		
Primary Phone #			Email Address		
Physical Address			Mailing Address		
Why are you appealing your value? Check box and provide a detailed explanation below for your appeal to be valid.					
☐ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied			THE FOLLOWING ARE <u>NOT</u> GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes		
Provide specific reasons and provide evidence supporting the item(s) checked above:					
Have you attached additional information or documentation?			☐ Yes ☐ No		
Values on Assessment Notice:					
Site	\$	Building	\$	Total	\$
Owner's Estimate of Value:					
Site	\$	Building	\$	Total	\$
Purchase Price of Property:					
Price	\$		Purchase Date		
Has the property been listed for sale? ☐ Yes ☐ No (if yes complete next line)					
Listing Price	\$		Days on Market		
Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☐ No (if yes provide copy of appraisal)					
Certification: I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.					
Signature			Date		

Contact Us: CBJ Assessors Office

Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801

Step 1 – Administrative Review

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			
Post Review Assessment			
Site	\$	Building	\$
Exemptions	\$		
Total Taxable Value	\$		
APPELLANT RESPONSE TO ACTION BY ASSESSOR My acceptance or rejection of the assessment valuation in the amount of \$_____ is indicated below. ☐ Accept New Assessed Value ☐ Close Review (Assessment Remains Unchanged) ☐ Reject and Appeal If appealed, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear. Appellant's Signature _____ Date: _____			

Appellant Accept Value	☐ Yes ☐ No <i>(if no skip to Board of Equalization)</i>
Govern Updated	☐ Yes ☐ No
Spreadsheet Updated	☐ Yes ☐ No
Corrected Notice of Assessed Value Sent	☐ Yes ☐ No

Step 2 – Appeal

Appeal # _____

BOARD OF EQUALIZATION			
Scheduled BOE Date	☐ Yes ☐ No		
10-Day Letter Sent	☐ Yes ☐ No		
The Board of Equalization certifies its decision, based on the Findings of Fact and Conclusion of Law contained within the recorded hearing and record on appeal, and concludes that the appellant ☐ Met ☐ Did not meet the burden of proof that the assessment was unequal, excessive, improper or under/overvalued. Notes:			
Site	\$	Building	\$
Exemptions	\$		
Total Taxable Value	\$		

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Correction of Assessed Value Business Personal Property

Assessment Year	2021
BPP Account #	
Name of Applicant	
Email Address	

This application must be returned or postmarked no later than Monday May 3, 2021

Please attach all supporting documentation

ASSESSOR'S FILES ARE PUBLIC INFORMATION – DOCUMENTS FILED WITH AN APPEAL BECOME PUBLIC INFORMATION

APPELLANT COMPLETE THIS SECTION IN ITS ENTIRETY			
I, _____ (print appellant's name) hereby request the Assessor to review the 2019 assessment for the above referenced account.			
Business Name:			
Account Number:			
Primary Phone #		Secondary Phone #	
Mailing Address		Property Address	
Appellant's Estimation of Value (Please attach additional information if needed)			
Furniture	\$	Machine	\$
Lease	\$	Other	\$
Auto	\$	Total Value	\$
Supply	\$	Exemption	\$
Computer	\$	Total Taxable:	\$
The assessed value of my property is incorrect for the following reasons:			
Signature of Appellant:		Date:	

ASSESSOR OFFICE USE ONLY			
Appeal No.		Date Filed	BOE Case No.
Values on Assessment Notice:			
Furniture	\$	Machine	\$
Lease	\$	Other	\$
Auto	\$	Total Value	\$
Supply	\$	Exemption	\$
Computer	\$	Total Taxable	\$
Value after Action by Assessor			
Furniture	\$	Machine	\$
Lease	\$	Other	\$
Auto	\$	Total Value	\$
Supply	\$	Exemption	\$
Computer	\$	Total Taxable	\$
Assessor and/ or Appraiser Comments:			
Signature of Appraiser		Date:	

THIS PAGE IS TO BE COMPLETED AFTER ASSESSOR OFFICE REVIEW OF PETITION

APPELLANT RESPONSE TO ACTION BY ASSESSOR

If rejected, the appellant will be scheduled before the Board of Equalization and will be advised of the date and time to appear.

I hereby ☐ Accept ☐ Reject the following assessment valuation in the amount of \$_____

Appellant's Signature _____ Date: _____

Assessor's Office Use Only

Appellant Accept Value? ☐ Yes ☐ No (if no skip to Board of Equalization)

Corrected Notice of Assessed Value Sent ☐ Yes ☐ No

BOARD OF EQUALIZATION

Scheduled BOE Date ☐ Yes ☐ No 10-Day Letter Sent ☐ Yes ☐ No

The Board of Equalization certifies its decision, based on the Findings of Fact and Conclusion of Law contained within the recorded hearing and record on appeal, and concludes that the appellant ☐ **Met** ☐ **Did not meet** the burden of proof that the assessment was unequal, excessive, improper or undervalued.

Furniture	\$	Machine	\$
Lease	\$	Other	\$
Auto	\$	Total Value	\$
Supply	\$	Exemption	\$
Computer	\$	Total Taxable	\$

Notes:

Corrected Notice of Assessed Value Sent? ☐ Yes ☐ No

Contact Us: CBJ Assessor's Office

Phone:	Email:	Website:	Physical Location
Phone # (907) 586-5215 Fax # (907) 586-4520	BPP.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St Rm. 114 Juneau AK 99801



City and Borough of Juneau, AK
Board of Equalization

Board Roster



Barbara Sheinberg

2nd Term Jan 01, 2019 - Dec 31, 2021

Appointing Authority Assembly

Position Voting Member

Category Public

Dais Seat 9



Emil R Mackey

1st Term Mar 04, 2019 - Dec 31, 2021

Position Voting Member

Category Public

Dais Seat 7



Emily Haynes

1st Term Jun 24, 2019 - Dec 31, 2021

Position Voting Member

Category Public

Dais Seat 8



Barbara Mecum

1st Term May 24, 2021 - Dec 31, 2022

Position Voting Member

Category Public

Dais Seat 6



James W Collman

1st Term May 24, 2021 - Dec 31, 2022

Appointing Authority Assembly

Position Voting Member

Category Public

Dais Seat 4

**Kenneth L Solomon-gross****2nd Term** Jan 01, 2020 - Dec 31, 2022**Appointing Authority** Assembly**Position** Voting Member**Category** Public**Dais Seat** 5**Raymond T Williams****1st Term** May 24, 2021 - Dec 31, 2023**Appointing Authority** Assembly**Position** Voting Member**Category** Public**Dais Seat** 2**David B Epstein****4th Term** May 24, 2021 - Dec 31, 2023**Appointing Authority** Assembly**Position** Voting Member**Office/Role** Chair**Category** Public**Dais Seat** 1**Gary L Sonnenberg****1st Term** May 24, 2021 - Dec 31, 2023**Appointing Authority** Assembly**Position** Voting Member**Category** Public**Dais Seat** 3

Property Assessments

An overview for the Board of Equalization

Presented July 14, 2021

Assessment Basics

- Assessor is required by AS 29.45.110 to determine the fair market value of all taxable properties
- Assessed Values are critical to the equitable distribution of the tax burden
- Value is determined as of January 1st each year
- Three approaches to value are considered: Cost, Sales Comparison, and Income
- CBJ Assessor generally uses a *Market (Sales Comparison) Approach*
- Preferred approaches are usually applied across a property class

Assessment Basics

- Computer Assisted Mass Appraisal (CAMA)
 - Underlying land value is determined from a base rate (price per Sq Ft for example) adjusted for various factors of desirability or usability
 - Improvement value considers size, age, construction method, quality, condition and enhancing features
 - Land and improvements are reviewed for adjustment annually based on comparison to comparable sales through the Ratio Study process

Property Values

- Property values, regardless of what system they come out of or what purpose they are done for, utilize a model, either a formal one put “to paper” or an informal one in someone’s head.
 - You
 - Your neighbor
 - A realtor
 - An appraiser
 - An insurance agent
- It may be a simple general ballpark value, based on price per SF, adjusted for quality, condition or style, or more

Property Values

- The modeling process involves
 - model specification
 - model calibration
- Objectives are to move the commercial properties fully into the mass appraisal process and to get that process migrated into the CAMA system

Mass Appraisal

- We primarily use mass appraisal techniques
 - That is standard for assessment valuations
- Mass appraisal vs single (fee) appraisal
 - Vertical process vs horizontal process
 - Potentially more uniformity from a mass appraisal process

Analysis

- Our analysis process is multifaceted
 - General Market Conditions and Trends
 - Ratio Studies – our assessed values vs the market
 - Special Studies
- Information that we look at includes
 - Sales prices
 - Construction costs
 - Income and expenses
 - Lease rates
 - Capitalization rates
 - Financing and the financial markets

Analysis

- For sales, the primary year we look at is the last year.
- For property types with fewer sales, which include all commercial property types, we expand the sales data up to 5 years back until we have a large enough sample.
- For special studies, such as a paired sale study, we occasionally go back 10 or more years.

Analysis

- The Juneau challenges
 - We are a somewhat isolated market with a limited number of commercial properties available and a fairly low number of sales.
 - Up until late this last year there was no requirement that the sales price be disclosed in real estate transactions. So, besides starting with a low number of sales we only have data on a portion of those.
- Regardless of the challenges and what data we do or don't have assessed values have to be set every year.

Our Staff

- We have
 - An assessment clerk who provides tax payer services and handles administrative tasks
 - A BPP Appraiser who specializes in the Business Personal Property valuations and manufactured home valuations.
 - Three certified staff appraisers who primarily work on residential valuations but may assist with commercial valuations.
 - A Deputy Assessor who is the primary commercial appraiser.
 - The Assessor who oversees the office and the valuation process.

External Appraisals

- How external appraisals relate to our work is often misunderstood.
 - We welcome their submission for review.
 - Sometimes they contain information regarding a property that changes our valuation.

However...

- They are not directly applicable to assessed values.
- They usually were performed for other purposes.
- External appraisals are a separate individuals opinion of value. For example for a lot, which had good comparable sales, the owner recently had appraisals done by three appraisers and their conclusions on value varied by 40%.
- The aspect of uniformity of assessed values is paramount as they are used to calculate an individuals tax burden.

Covid-19

Assessed Values In The Midst Of A Pandemic

- We recognize and are sympathetic to the fact that the past year has been difficult for some businesses in Juneau. Some businesses have seen drastic reductions in revenue, in some cases almost a complete elimination of revenue. At the same time, other businesses had a good year in 2020.
- In the midst of that, what State statutes require of us is to determine the market value of the real estate. While a particular business may go out of business the underlying real estate value may decrease, may stay the same, or may even increase.

Property Characteristics

- There are many factors that effect a properties value.
- Some key factors
 - Property Class
 - Property Attributes
 - Location

Property Characteristics

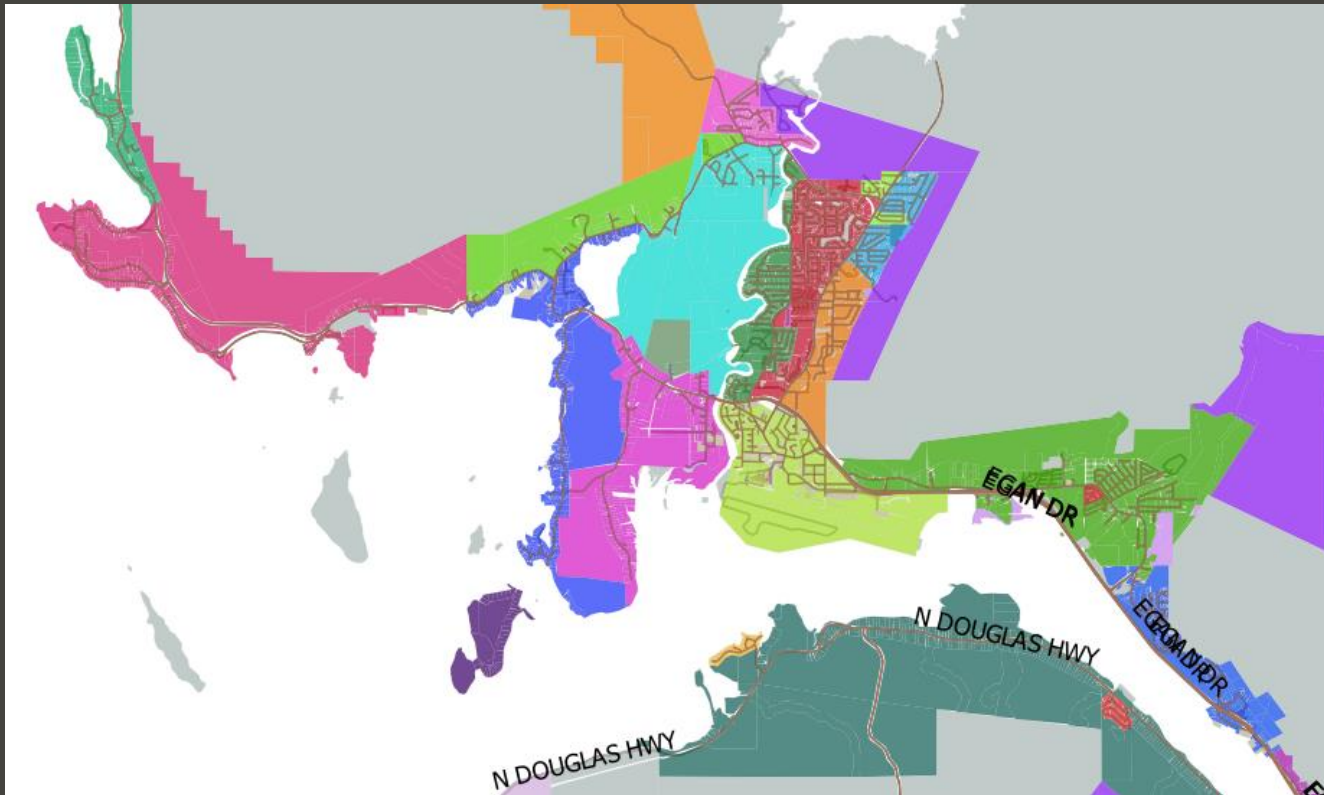
- Property Classes
 - Major Classification: Residential & Commercial
 - Within Residential
 - SFR
 - Rapt
 - Mimp
 - Zero-Lot
 - Condos & Townhouses
 - Plexes
 - Manufactured Homes
 - Within Commercial
 - Retail
 - Office
 - Medical
 - Hotel
 - Industrial
 - Others

Property Characteristics

- Property Attributes
 - Topography
 - View
 - Waterfront
 - Access
 - Wetlands
 - Flood Zones
 - Others

Property Characteristics

- Location
 - Have currently defined commercial neighborhoods
 - We are looking at further refinements utilizing a market area model that incorporates Regions, Districts and Neighborhoods.

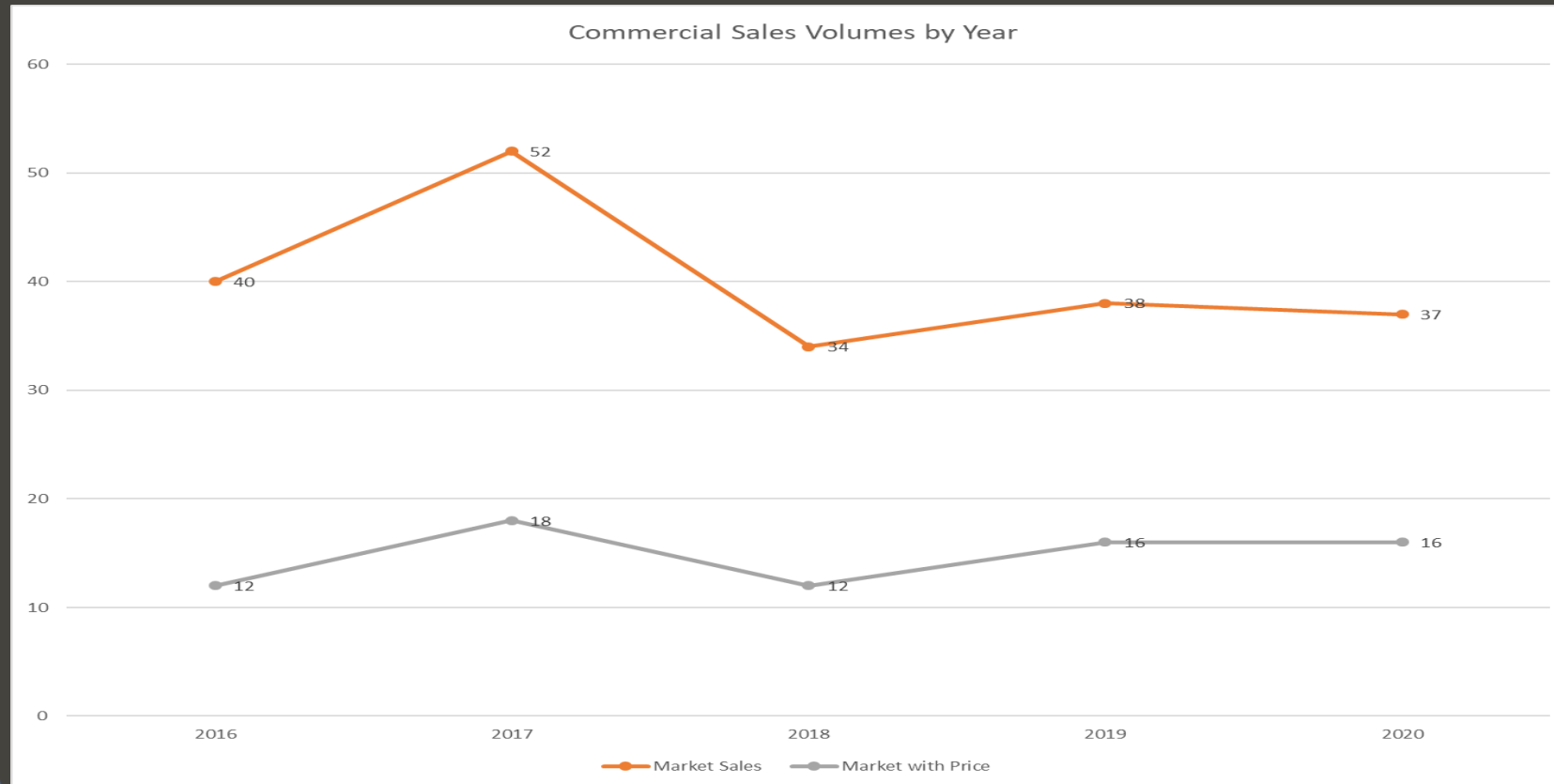


The Market

- Sales volume – held steady in 2020 for commercial properties and remained strong for residential properties
- Sales prices – we specifically studied the market activity for 2020, leading up to the January 1, 2021 valuation date
 - Residential prices continued to increase
 - Commercial prices held steady; there was no indication of an overall decrease in commercial property values
- Limited supply – the Juneau market continues to be effected by a limited supply of both land and improved properties compared to the demand in both the residential and commercial classes

The Market

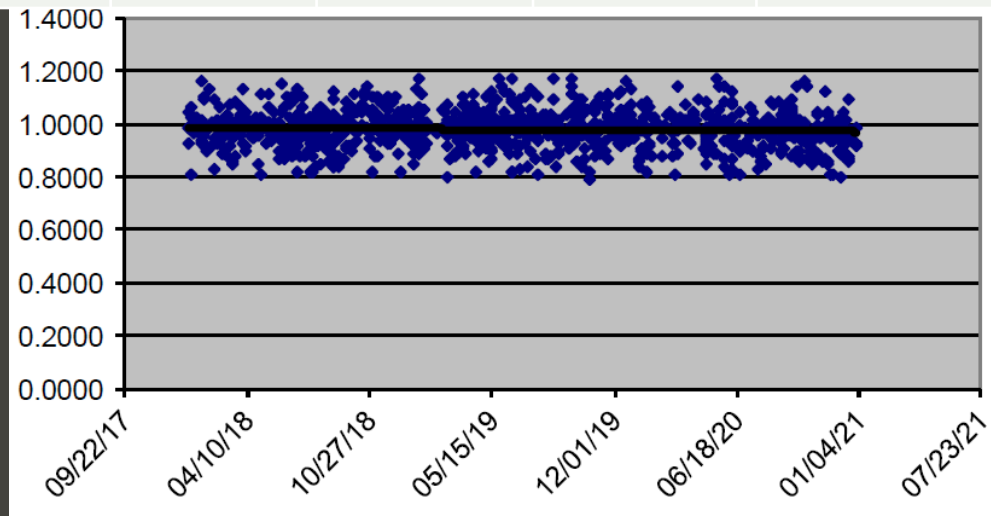
- This chart shows the number of commercial property sales per year. You can see that the sales volume held steady through 2020 in spite of the pandemic.



Residential Ratio Study 2021

Assessed Values as % of Sales Prices

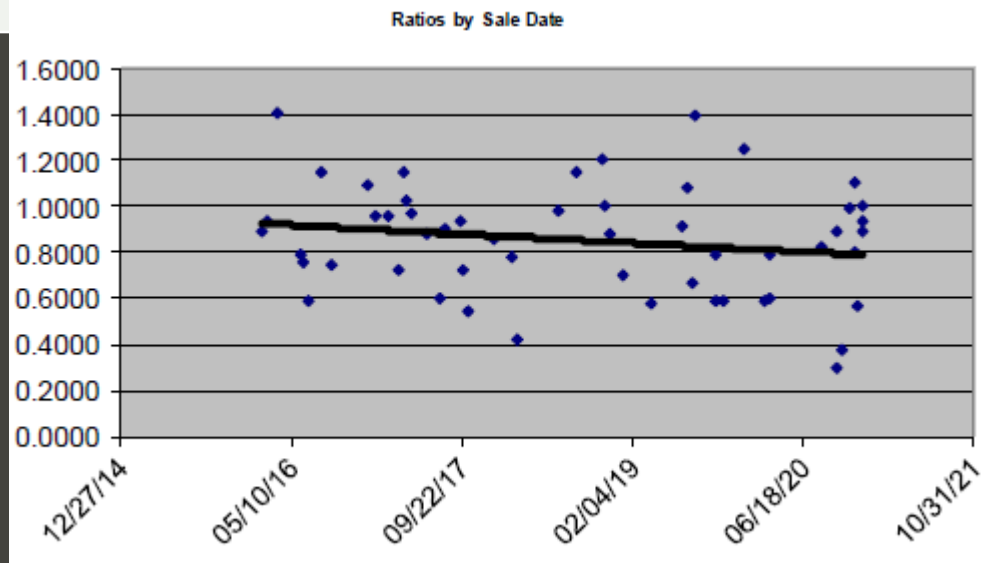
Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2021 adjustments	76.11%	96.29%	96.53%	116.91 %	6.00%
After 2021 adjustments	79.40%	97.91%	98.09%	117.45 %	5.43%



Commercial Ratio Study 2021

Assessed Values as % of Sales Prices

Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2021 adjustments	19.59%	68.79%	72.86%	119.08 %	23.60%
After 2021 adjustments	29.32%	85.26%	88.53%	140.91 %	21.55%



Correcting Commercial Assessments

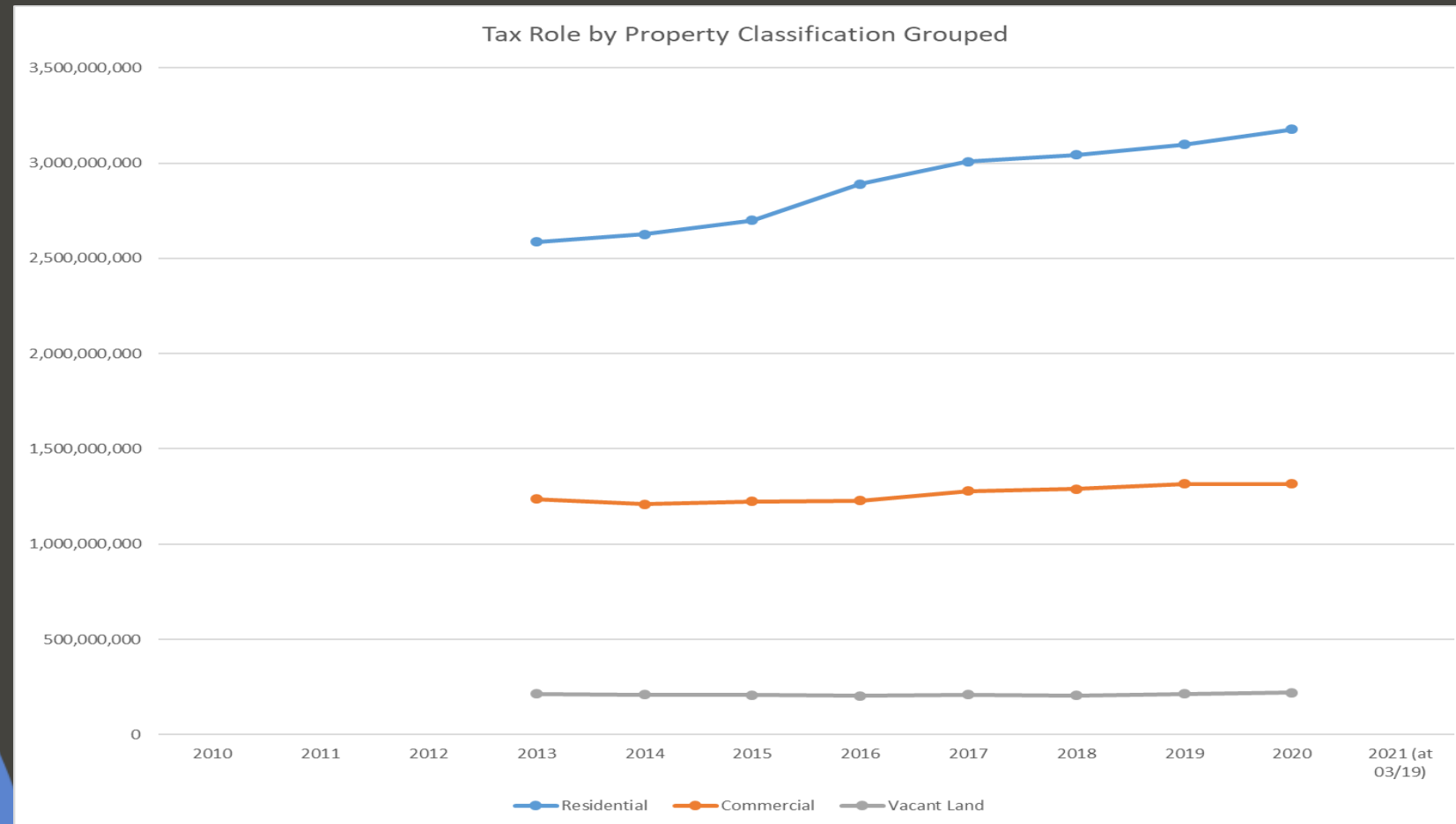
- Prior to 2021 adjustments
 - Median commercial property was assessed at 72.86% of sales price (68.79% mean)
 - Median improved commercial property was assessed at 78.81% of sales price (78.39% mean)
 - *Median vacant commercial land was assessed at just 39.22% of sales price (38.00% mean)*
- Commercial adjustments made in 2021
 - 50% increase to base commercial land value
 - 20% increase to warehouse condos
 - 20% decrease to boat shelters
- Result: Median commercial assessment ratio moved from 72.86% to 88.53% in 2021
 - CBJ Assessor target for median assessment ratio is 98%
 - Commercial properties in Juneau remain under-assessed by ~10% overall
 - CBJ Assessor will continue to refine the land adjustments and begin adjusting improvement values to reflect market sales in future years

Values for Assessment Year 2021

- Assessed values for commercial properties, on a whole, have not been adjusted for 10 or more years due to
 - The Juneau challenges
 - A CAMA system conversion
 - Other factors
- This has caused
 - Commercial property assessed values to lag behind the market
 - A tax shift. A tax shift occurs when the tax burden that should be paid by one party is shifted to being paid by another party. In this case the shift was from commercial properties onto residential properties.
- To rectify this tax shift the commercial property assessed values must be brought up to market. This means that commercial properties will see increases that should have occurred in smaller increments for the past 10 plus years being applied in a few years. Because the increases will represent multi-year corrections they may seem to be significant increases.

Values for Assessment Year 2021

- The next chart (below) shows the change in total assessed values by classification over the past 8 years.



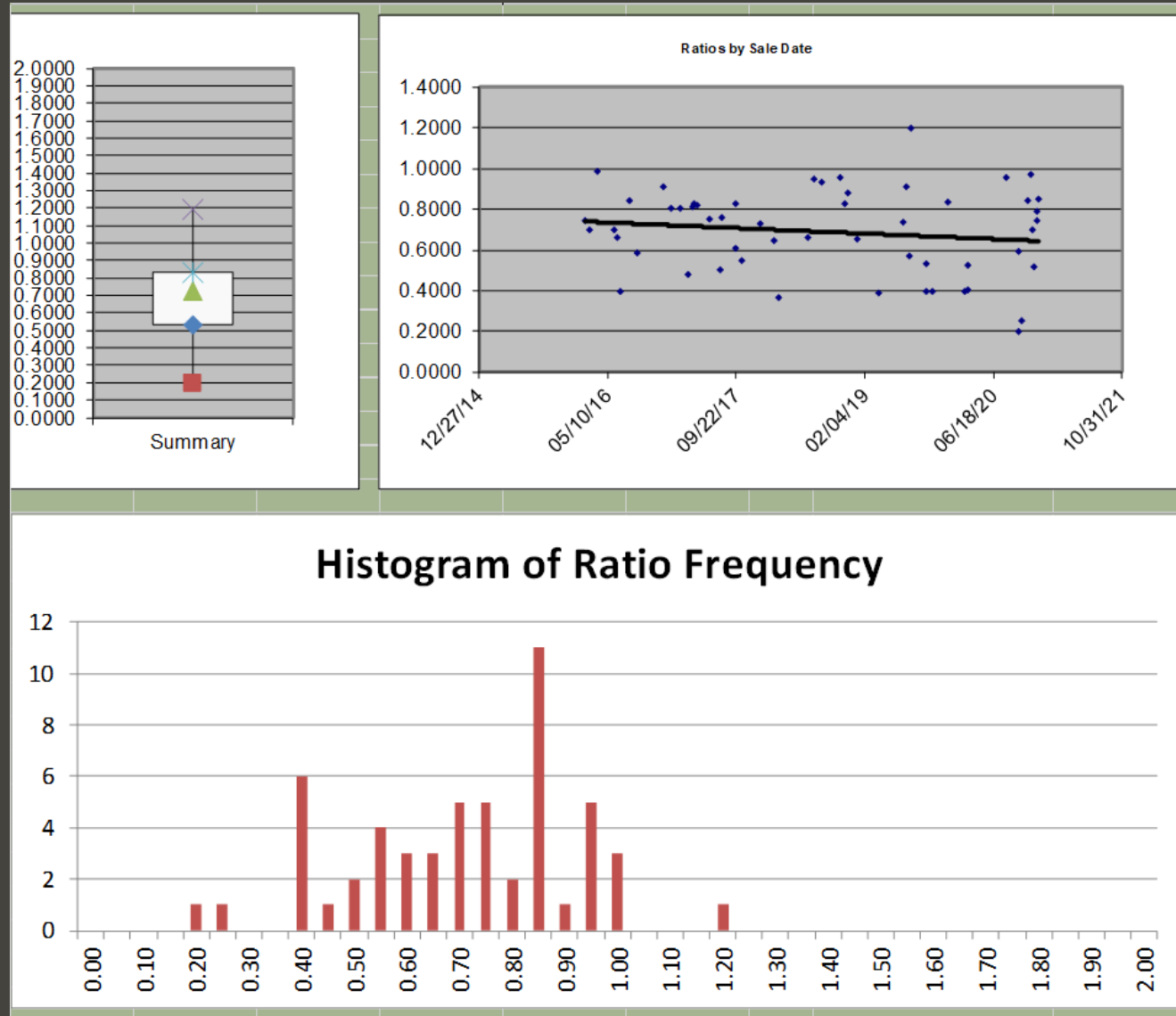
Values for Assessment Year 2021

- A lot of work was done this year cleaning up the commercial property sales data. There is still more work to be done but good progress was made. That resulted in us having 57 market sales from the past 5 years for which we had sales prices.

Values for Assessment Year 2021

AY2021- Comm- Set 2- 20210316- No19- All, 5 Yr, 5% Trend								
Summary Report								
						IAAO Standards for COD		
<u>Statistics</u>						SFR	15.0 or less	
Current						SFR-newer/homog	10.0 or less	
54		Count	(Number of Records with Ratio)			Income Properties	20.0 or less	
0.1959		Minimum Ratio				Income-Urban area	15.0 or less	
1.1908		Maximum Ratio				Vacant Land	20.0 or less	
0.9950		Range						
0.6879		Mean	(This is the average ratio for your sample.)					
0.7286		Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)					
0.5418		Weighted Mean						
2.3448		Sum of the Square of Deviations						
0.1720		AAD						
0.2103		Standard Deviation				Coefficients (0=Normal Distribution)		
23.6036		COD	(Good indicator of confidence level.)			Kurtosis	-0.3111	
30.5772		COV				Skewness	-0.2814	
1.2696		PRD- Price-Related or Factor Differential				Alt.Cyhelsky's Skew	-0.1481	
		(PRD s/b between 0.98 & 1.03, IAAO)				Alt.Pearson's Skew	-0.5808	
		(PRD over 1=Regressive)						
<u>Trending Factors</u>				<u>Normal / Skewed Distribution Evaluation</u>				
0.98 Target Level				0.0407 Differential Mean to Median				
1.4246 Factor on Mean				23 Number of data points below the mean.				
1.3450 Factor on Median				31 Number of data points above the mean.				
1.8087 Factor on Weighted Mean				*Note- # below/above works on data sets up to 5,000 pts.				

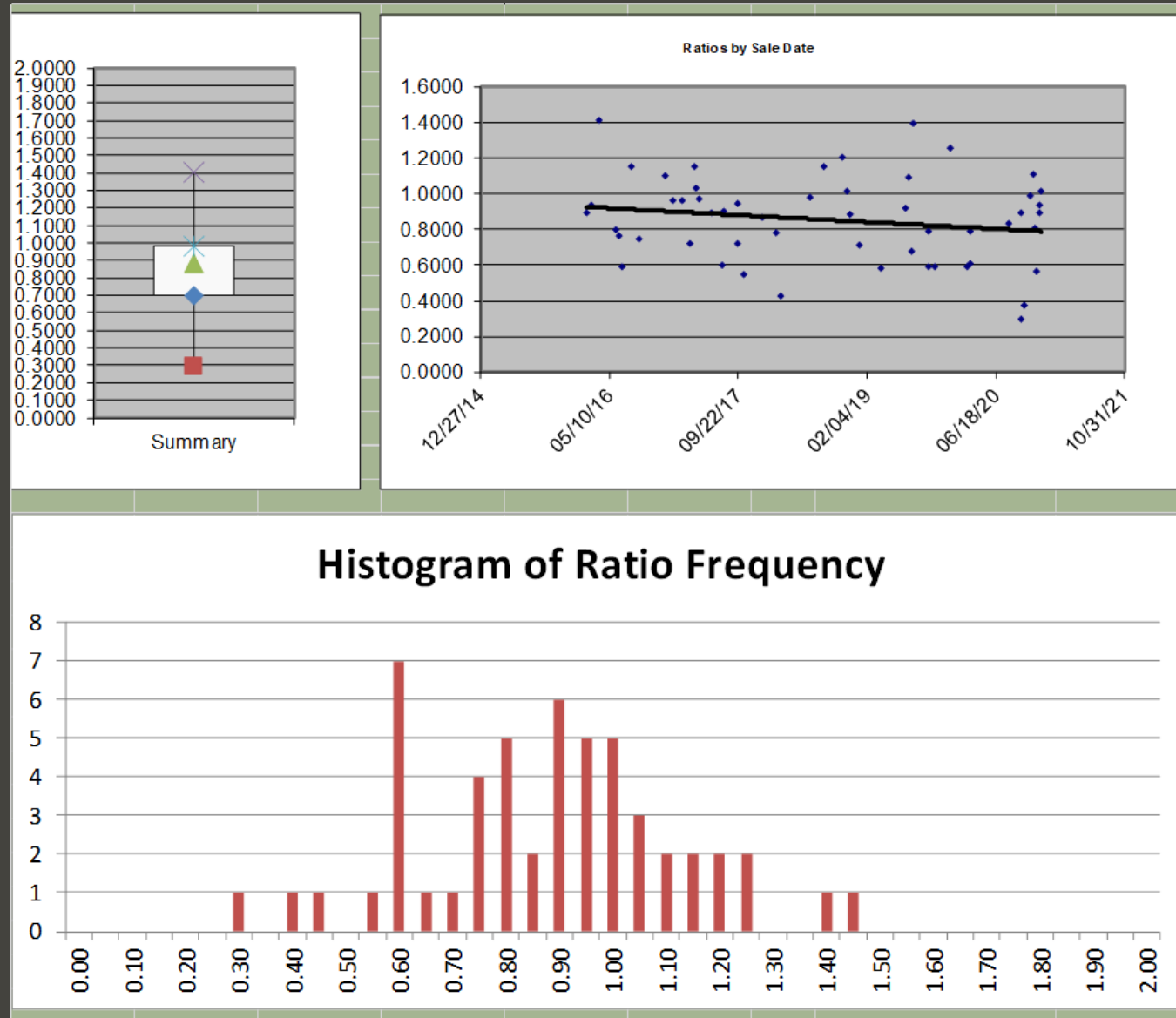
Values for Assessment Year 2021



Values for Assessment Year 2021

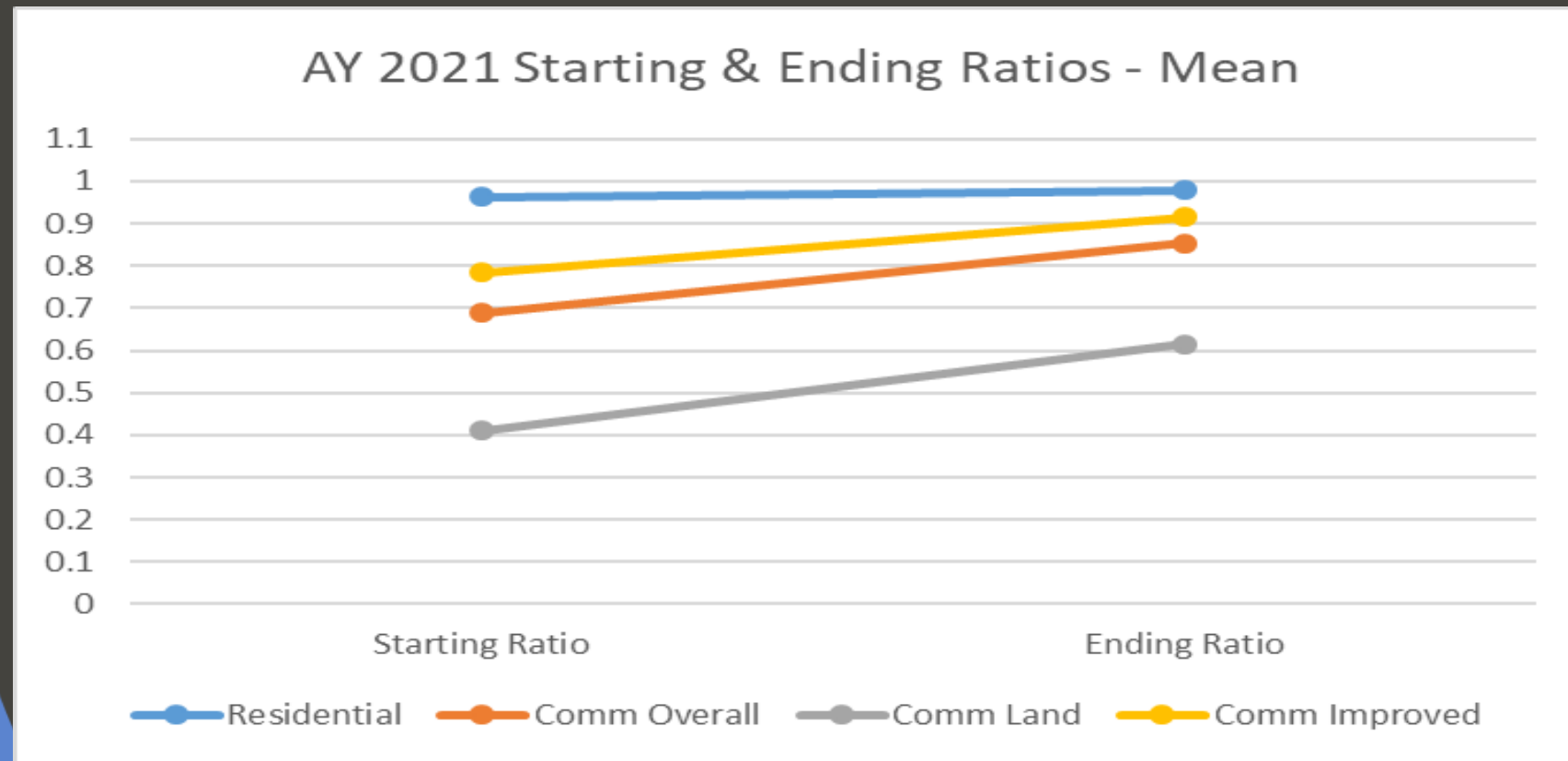
AY2021- Comm- Set 2 Updated AVs Live1- 20210316- No 19- All, 5 Yr, 5% Trend						
Summary Report						
					IAAO Standards for COD	
Statistics					SFR	15.0 or less
Current					SFR-newer/homog	10.0 or less
53	Count	(Number of Records with Ratio)			Income Properties	20.0 or less
0.2932	Minimum Ratio				Income-Urban area	15.0 or less
1.4091	Maximum Ratio				Vacant Land	20.0 or less
1.1159	Range					
0.8526	Mean	(This is the average ratio for your sample.)				
0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)				
0.6981	Weighted Mean					
3.0313	Sum of the Square of Deviations					
0.1908	AAD					
0.2414	Standard Deviation				Coefficients (0=Normal Distribution)	
21.5490	COD	(Good indicator of confidence level.)			Kurtosis	-0.0245
28.3180	COV				Skewness	0.0181
1.2214	PRD- Price-Related or Factor Differential				Alt.Cyhelsky's Skew	-0.0943
	(PRD s/b between 0.98 & 1.03, IAAO)				Alt.Pearson's Skew	-0.4059
	(PRD over 1=Regressive)					
Trending Factors				Normal / Skewed Distribution Evaluation		
0.85 Target Level				0.0327 Differential Mean to Median		
0.9969 Factor on Mean				24 Number of data points below the mean.		
0.9601 Factor on Median				29 Number of data points above the mean.		
1.2176 Factor on Weighted Mean				*Note- # below/above works on data sets up to 5,000 pts.		

Values for Assessment Year 2021



Values for Assessment Year 2021

- This chart shows the ratios based on Assessment Year 2020 (Starting Ratio) and the results of our adjustments for the Assessment Year 2021 (Ending Ratio).



Values for Assessment Year 2021

Over the next few years we will work to:

- Bring more uniformity between the commercial and residential property classes
- Bring more uniformity between the commercial subclasses
- Correct the imbalance between the land component and the building component(s).

Values for Assessment Year 2021

- This year will just be a first step.
- For most properties the increase will be applied to just the land component. For some classes of properties that have no land component or only a token land value, the increase will be applied to the buildings.
- This will bring all commercial properties closer to market.
- Next year we will take another step towards parity with residential properties. This will likely involve a further increase in land and, at least in some cases, a reduction in the building component.

Values for Assessment Year 2021

- The adjustment being applied this year will result in
 - a 50% increase in the land component for most commercial properties
 - On average this results in a 20% increase to commercial property values
 - One class of properties, boathouses, will actually see a 20% reduction this year.
- Future refinements In the coming years we will be:
 - Refining the valuation models for all of the commercial property types- retail, office, medical, industrial, etc.
 - Refining the locational adjustments
 - Refining the value adjustments for things like quality, condition and other attributes.

Upcoming Appeal Hearings

- In our review we readily correct any errors
- Only a portion become actual appeals
- Uniformity is paramount

Upcoming Appeal Hearings

- Cap rates
 - Again, uniformity is critical
 - Other individuals can choose a different cap rate for their purposes
 - We have attempted to be conservative in selecting the cap rate
 - For a given amount of income, if the cap rate goes down the value goes up
 - With the data that we have available we have not been able to substantiate the claim that Juneau is inherently higher risk and therefore should have a higher cap rate than what we are applying
 - If, as we work through the review process, new information comes to light we could alter the cap rates, however, so far the data and tests indicate that our selected cap rates are producing values that are under market

Upcoming Appeal Hearings

- Cap rates

- We are using 6% overall and 7% for hotels/motels
- A sampling of cap rates from other sources
 - 4.75 – 5.5 Seattle Class A CBD Summer 2020
 - 5.75 – 6.5 Seattle Class A Suburban Office Rates Summer 2020
 - 4.25 – 4.75 Seattle Multifamily Rates Summer 2020
 - 4.75 – 5.25 Seattle Multifamily Suburban Rates Summer 2020
 - 3.75 – 4.25 Seattle Class A Industrial Rates Summer 2020
 - 4.00 – 5.25 2021 US Real Estate Market
 - 5.96 Anchorage, AK 1-3 floor apartments
 - 5.01 Pierce County, WA 1-3 floor apartments
 - 5.27 Ada County, ID 1-3 floor apartments
 - 4.88 – 5.26 Seattle Multifamily Class A & B Mid & High Rise
 - 5.36 – 5.76 Seattle Retail Class A & B
 - 5.67 – 5.87 Seattle Office Class A & B
 - 6.12 – 6.36 Seattle Industrial Class A & B

Property Assessments – BOE Presentation

Thank you!