

Introduction

Properties are assessed so that the costs of schools, public safety, fire protection and other public services are borne in proportion to the value of each individual property. The property taxes you pay are based on your property's assessed value, as determined by the City Assessor.

If you disagree with the Assessor's value, you can appeal that value. Properties are assessed based on constant research for significant facts (sales), which are analyzed to estimate the full and true (fair market) value of your property. Finding the full and true market value involves estimating the price most people would pay for it in the present condition. The Assessor does not create the value – people create value through their transactions in the marketplace. State law requires your property to be assessed at its full and true value each and every year. The Assessor has the legal responsibility to study those transactions and assess your property accordingly. **Values change in the marketplace, whether improvements are made to property or not.** The assessment process is done each year because the market value changes from one year to the next.

This publication describes what you should do before you appeal the assessed value; the steps required to file and present a residential assessment appeal; and the role of the local Board of Equalization. If you have questions that are not answered here, you should contact your Assessor or the City Clerk. The information in this publication has been prepared by the Appraisal Company of Alaska which oversees the administration of City of Valdez property tax system. The Assessor's office does not control the total amount of taxes levied. The Assessor's primary responsibility is to determine the full and true value (fair market value) of your property, so that each property pays a proportionate share of the tax burden. A tax rate applied to your property's assessed value determines the amount of tax you pay. The tax rate is determined by the City Council.

Before You File an Appeal

Consult with the City Assessor First - You may not need to file a formal appeal if you talk with staff from the Assessor's office first. The Assessor can:

- Explain your property's assessed value
- Answer questions about the assessment
- Review any additional, pertinent information you may provide

If the Assessor discovers an error, they may be able to reduce your property's assessed value to correct that error. In these cases, you should always submit a written appeal. Complete an Appeal Form, which is available at the office of the City Clerk. Your appeal must be submitted by 5:00pm on Friday, March 31, 2023.

The Role of Board of Equalization (BOE)

The Board of Equalization consists of City Council members convened as an administrative review panel. The purpose of BOE is to settle disputes between the City Assessor and property owners. The Board of Equalization, with proper evidence, can reduce, raise, or confirm a property's assessed value. The Board of Equalization cannot:

- Reduce your property's assessed value simply because you are paying more taxes than your neighbor
- Reduce your taxes due to inability to pay
- Fix the tax rate, levy taxes, or change tax rates
- Grant or deny exemptions
- Extend filing periods
- Rehear an issue already ruled upon

Appeals and Their Filing Deadlines

To appeal the assessed value of your property, you must file an *Appeal Form*. Appeals will be accepted only within a certain time period; late applications will not be accepted, unless evidence of unforeseen circumstances is provided and the BOE will review it.

To be valid, appeals must be filed on the official form. To obtain the appeal form, contact the City Clerk. To be valid, your appeal must contain all the following information:

1. Applicant's Information: Property owner's name, mailing address, telephone number
2. Property Identification: Enter the applicable property identification information from your assessment notice
3. Value: You must enter the value for both the Assessor's value and your opinion of value
4. **Reasons for Filing an Appeal**
 - a. **Decline in Value** - the market value of your property has decreased and is no longer as high as the assessed value. **Reminder: your appeal must be based on your property's market value as of January 1 of the year in which you are appealing and is effective only for the year being appealed.**
 - b. **Change in Ownership**- The market value of your property based upon a change in ownership is less than the Assessor's value.
 - c. **New Construction** - The market value of your property, based upon completion of new construction, is less than the Assessor's value, or the value of any construction in progress as of January 1 is incorrect.
 - d. **Calamity Reassessment** - The reduced value from the Assessor's reassessment of your property damaged by a misfortune or calamity is incorrect.
 - e. **Change in Inventory** - Incorrect value(s) on escaped property (property not originally assessed or those that were under assessed).
5. Reasons such as "value is too high," "nothing has been improved," "I just disagree," "value changed too much in one year," "taxes are too high," etc., are not reliable; all assertions must be supported by facts.
6. Written Findings of Facts: Provide Assessor with supporting facts and documents that support your reason for appealing the assessed value. Examples include photos if there is any damage to the property, sales information, appraisal reports, engineering reports, etc.

Under Alaska State law, THE APPELLANT BEARS THE BURDEN OF PROOF. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal or proven at the appeal hearing. If a valuation is found to be too low, the Board of Equalization may raise the assessment. Alaska Statute 29.45.210(b)

Evidence to Support Your Opinion of Your Property's Value

There are three basic methods used by Assessors to determine the value of property:

1. Comparable Sales of Similar Property approach
2. Replacement Cost, Less Depreciation approach
3. Income approach

In most residential appeals, the most reliable type of evidence to support your opinion of "fair market value" is the sale of properties similar to yours. These are called "comparable properties." In a residential appeal the best evidence of market value is sale price, the sale price of the subject property, and the sales price of similar properties. Commercial properties may require rent rolls, leases, and income and expense information.

Before you begin to gather evidence about comparable properties, you should gather information about your own property. Determine the age, building size(s), lot size, and so forth for your property first, and then compare that information with the Assessor's information for your property. You can obtain information about your property by contacting the City Clerk.

Property taxes are due in two equal installments

1st Half Due: August 15, 2023

2nd Half Due: October 16, 2023

All payments must be made by the deadline. Payments not made online must be received by City Hall by 5:00pm or be postmarked on the due date to avoid an 8% penalty and 8% interest.