

Tax Adjustments on Property Affected by a Disaster

Per AS 29.45.230 municipalities have the right to provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a disaster; CBJ experiences occasional disasters such as severe storms, wind, fires, earthquakes, landslides, avalanches, and floods; and wishes to encourage the timely, safe, and efficient rebuilding or renovation of disaster damaged homes and businesses; and recognizes that some form of reduction of property taxes or the reduction in value of disaster-damaged property will promote and encourage the rebuilding or renovation of disaster-damaged property.

69.10.026. Tax adjustments on property affected by a disaster.

(a) Reassessment of Property Damaged by Disaster. An owner of any taxable property within the City and Borough, or any person liable for the taxes on the property, whose property was damaged by a disaster, may apply for reassessment of that property under this section. In addition, the assessor may initiate reassessment where the manager determines that within the current assessment year taxable property located in the city and borough was damaged by a disaster.

(b) For purposes of this section, "**disaster**" means the occurrence or imminent threat of widespread or severe damage, injury, loss of life or property, resulting from an incident such as storm, high water, wind driven water, tsunami, earthquake, volcanic eruption, landslide, mudslide, avalanche, fire, flood, or explosion. To be eligible for reassessment, the damage to the property must have been caused by any of the following:

- (1) A disaster as that term is defined in this section;
- (2) A disaster in an area or region declared by the Mayor, the Governor, or the President to be in a condition of disaster emergency; or
- (3) A disaster that, with respect to a possessory interest in land owned by the state or federal government has caused the permit or other right to enter upon the land to be suspended or restricted.

(c) Application for reassessment.

- (1) The application for reassessment must be filed with the assessor **within 120 days after the disaster** by delivering to the assessor **a written application, on a form provided by the assessor describing the condition and value of the property immediately before and after the damage or destruction. The applicant must include with the application a sworn statement that the property losses exceed \$10,000.**
- (2) If no application is made and the Manager determines that within the calendar year a property has suffered damage caused by a disaster that may qualify the property owner for relief under this section, the assessor may provide the last known owner of the property with an application for reassessment. The

property owner must file the completed application within **60 days of the date of the application** was mailed or otherwise provided to the property owner. The applicant **must include with the application a sworn statement that the property losses exceed \$10,000.**

(3) Upon receiving a timely and completed application, the assessor shall inspect the property and verify the prior year's full and true value of land and improvements, or the proposed or certified current year's value immediately before and after the damage or destruction. **Damages to land or improvements that do not appear on the assessment roll are not eligible for consideration under this section.**

(d) Notice of reassessment. The assessor shall notify the applicant in writing of the amount of the proposed reassessment. **The notice shall state that the applicant may appeal the proposed reassessment to the board of equalization and that a notice of appeal must be filed with the assessor within 30 days after the date of mailing the notice.**

(e) Tax adjustment. A reduction in taxes may be made **only on losses in excess of \$10,000 for the remainder of the year following the disaster.** On reassessment, the City and Borough shall recalculate the tax owed and refund the appropriate amount of taxes that have already been paid.

(f) Effect of revised assessment. The assessed value of the property in its damaged condition shall be the taxable value of the property until December 31 of the year in which the disaster occurred. Thereafter, the assessor shall determine the full and true value of the property in accordance with normal standards and methods for assessments.