

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

TRAINING MATERIAL
Lack of Quorum - No Training Date
contact: city.clerk@juneau.org

- I. BOE Training Materials & Information for 2022**
 - A. Presentation Material from State Assessor's Office - Joseph Caissie**
 - B. Material from CBJ Assessor's Office - Assessment Process**
 - C. BOE Training Material from CBJ Law Department**



**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: 2022**

Director Sandra Moller

January 1, 2022



The Board of Equalization (BOE) and the Appeal Process



**Prepared by:
Office of the State Assessor
2022**



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.*



Mass Appraisal Techniques

- **Alaska faces unique challenges – small numbers of properties, and even smaller numbers of sales (non-disclosure)**
- **The State Assessor has been encouraging local assessors to use evidence besides sales (employment, economic activity, sales from other categories of properties) to support value changes, in the absence of sales**



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)**



Outside Evidence/Facts

- **Not consistent with due process**
- **If you make a decision based on privately-held facts, neither party has the opportunity to rebut/contextualize**
- **We ALL “know” things. Sometimes we’re wrong.**
- **It’s a fine line, but your questioning can encourage a party to produce evidence that might be helpful in making your decision.**



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 2021.

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.



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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.]



Finance
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Assessor Division
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Juneau AK 99801
(907)586-5215

Assessment Valuations Summary Report

City and Borough of Juneau

For Assessment Year 2022

Assessment Date (Effective Valuation Date): January 1, 2022

2022 Report Date: March 29, 2022

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Introductory Message for 2022

We continue to work on the model specification and calibration for all Juneau commercial properties. We started this with the 2021 values and it will continue for a number of years as a special emphasis. Beyond the special emphasis, valuation model specification and calibration is an annual, ongoing, and perpetual activity.

Commercial property valuations are challenging in Juneau. We are a somewhat isolated market with a limited number of commercial properties available and a fairly low number of sales. The CBJ Assembly has been establishing sales disclosure regulations that hopefully will lead to increased sales data to work with by the end of 2022.

Overall, residential assessed property values increased 9.21% from 2021 to 2022.

Overall, commercial assessed property values increased 2.31% from 2021 to 2022.

Overall, vacant land assessed property value decreased by 0.62% from 2021 to 2022.

Business Personal Property Values increased less than 1% from 2021 to 2022.

Scope

Scope of Work

The valuation of all taxable property within the City and Borough of Juneau (CBJ).

Client & Intended Users

The intended user(s) of this report is the Borough Assessor's Office.

Intended Use

This report is intended for use by the Assessor's Office in the administration of ad valorem property taxation.

It is not intended to serve as an all-encompassing report but as a summary report of the relevant valuations.

Effective Date

The effective date of this report and the associated values is January 1, 2022 for all property types.

For ad valorem tax purposes the Assessor is required by law to annually value all property as of January 1st of each year, at one hundred percent of the true and fair market value.

Identification of Property

The subject properties of this report are all taxable real and personal properties within the City and Borough of Juneau.

Valuation Summary

Assessment Process Overview

Sales Data Procedures

Sales data was gathered and considered through a sales validation and verification process. A sales validation criteria and policy was implemented in 2021 and documented for commercial property for 2022.

For commercial properties the sales utilized for analysis are from the range of January 1, 2017 to December 31, 2021. There were a total of 59 market sales with confirmed sale prices for use in the studies. Counts for additional subsets are included in charts below.

For residential properties the sales utilized for analysis are from the range of January 1, 2019 to December 31, 2021. There were a total of 1,040 qualified sales of residential properties with confirmed sale prices for the main analysis set.

Model Specification & Calibration Procedures

Mass appraisal models utilized in generating values have gone through the processes and Specification and Calibration.

Three Approaches to Value

Cost Approach – is calibrated through trends in costs.

Sales Comparison Approach – utilizes market sales.

Income Approach – utilizes standard rates and/or individual property data.

For many classes of properties our CAMA utilizes a model that is a hybrid of the Cost and Sales Comparison approaches; a Market Adjusted Cost Approach.

Analysis and Valuation Overview

Additional work was done this year on cleaning up the commercial property sales data. There is still more work to be done but good progress was made. After the sales validation process we had 59 qualified sales from the past 5 years with confirmed sale prices for the analysis set. The 59 sales include 8 boathouse sales which were broken out into a separate study and were not included in the main study.

Commercial and residential property levels of assessment are summarized in the table below. The table summarizes the ratios from comparing assessed values to sales. A ratio of 1.00 would be right at market, a ratio under 1.00 indicates that the assessed value is below market value.

<i>Property Class (After Adjustments)</i>	<i>Count</i>	<i>Mean</i>	<i>Median</i>
Commercial Properties Overall (without boathouses)	49	0.8507	0.8265
Residential Properties	1040	0.9752	0.9748

The residential market increased in value throughout 2021 with increased prices for single family homes, attached homes, and residential condos. A table summarizing residential values is below.

Residential

Property Type	2019 Median Sale Price	2020 Median Sale Price	2021 Median Sale Price
Single Family Homes	\$415,000	\$442,000	\$481,400
Attached Homes	\$310,000	\$332,700	\$362,500
Residential Condos	\$232,500	\$228,900	\$240,000

Summary of Performance Tests and Measures (Statistics)

Summary of Performance Tests and Measures (Statistics) Commercial

Ratios, COD, & COV

The table below shows our starting and ending ratios for various classes of property. It is followed by two summary reports showing statistics for the starting and ending points for assessment year 2022.

Commercial

Ratios	Count	Mean		Median		Notations
		Starting	Ending	Starting	Ending	
Commercial- Overall (No Boathouses)	50/49	0.8187	0.8507	0.8057	0.8265	
Commercial- Improved	40		0.8404		0.8529	This breakdown was not included in the starting set.
Commercial- Vacant (Land)	10		0.8426		0.8053	This breakdown was not included in the starting set.
Commercial- Downtown (No Boathouses or Rock Dump Area)	6/6	0.9864	0.9164	0.9662	0.9494	Change is partially due to change in captured sales and outlier designations.
Commercial- Rock Dump area	4/4	0.6364	0.8592	0.5939	0.8018	
Commercial- Boathouses	7/7	0.9822	0.9569	0.9891	0.9636	

COD & COV (Measurements of Assessment Uniformity)	Count	COD		COV		Notations
		Starting	Ending	Starting	Ending	
Commercial- Overall (No Boathouses)	50/49	19.9792	17.4590	24.1573	21.1151	Note the 2.5% improvement in COD. This is a good COD for a sample with varied property types.
Commercial- Improved	40		18.7109		23.7267	This breakdown was not included in the starting set.
Commercial- Vacant (Land)	10		14.4455		19.1771	This breakdown was not included in the starting set.
Commercial- Downtown (No Boathouses or Rock Dump Area)	6/6	10.5249	22.3959	13.3208	33.7287	Change is due to change in captured sales and outlier designations.
Commercial- Rock Dump area	4/4	12.3297	12.3285	15.4194	15.4199	
Commercial- Boathouses	7/7	9.3722	9.3722	11.1691	11.1691	

This summary report shows statistics from the starting point for assessment year 2022.

Commercial

AY2022- Com- Starting Point V3- at 20220223b- All No 19s 532 Trend Summary Report Before Calibration

Statistics

50	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1779	Maximum Ratio	
0.8185	Range	
0.8187	Mean	(This is the average ratio for your sample.)
0.8057	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6837	Weighted Mean	
1.9165	Sum of the Square of Deviations	
0.1610	AAD	
0.1978	Standard Deviation	
19.9792	COD	(Good indicator of confidence level.)
24.1573	COV	
1.1973	PRD- Price-Related or Factor Differential	(PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

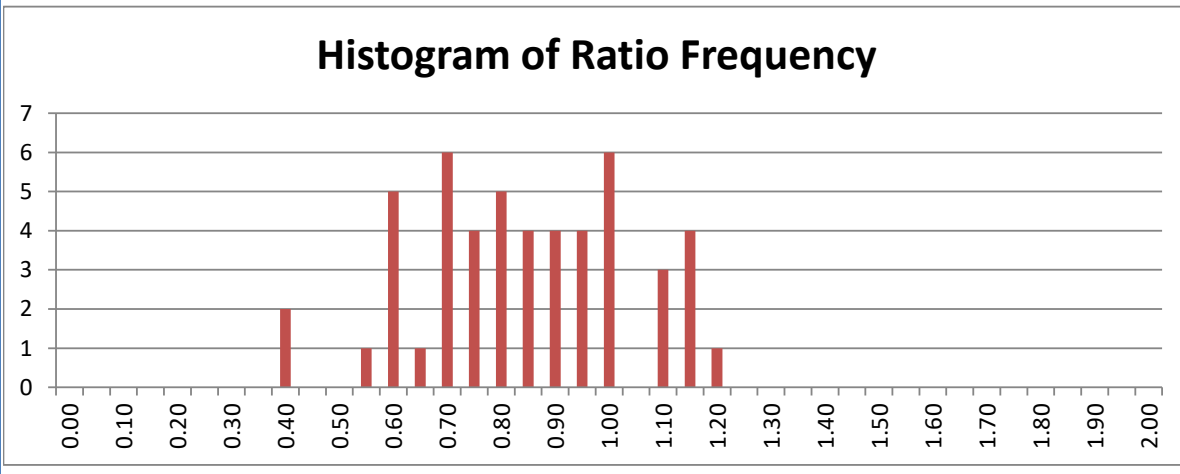
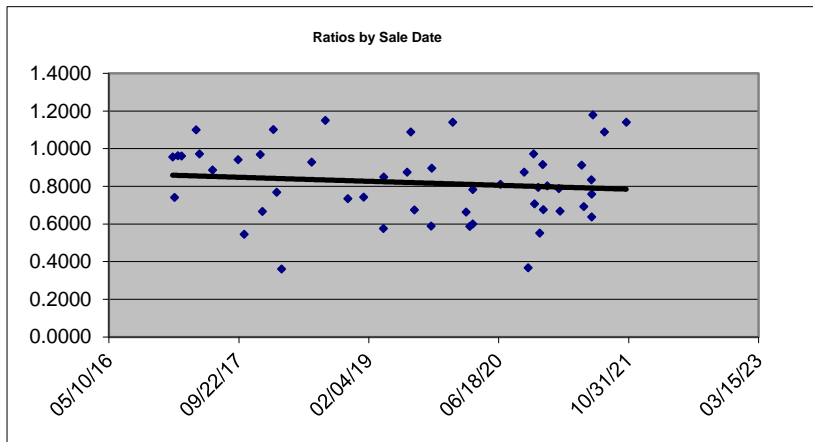
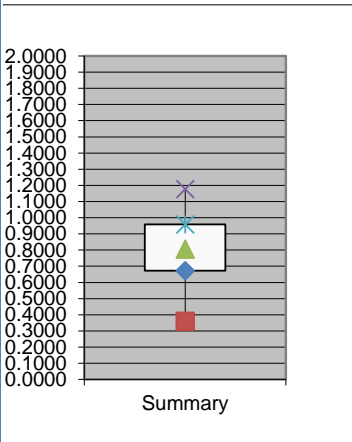
Coefficients (0=Normal Distribution)	
Kurtosis	-0.3459
Skewness	-0.1410
Alt.Cyhelsky's Skew	0.0400
Alt.Pearson's Skew	0.1964

Trending Factors

- 1.00 Target Level
- 1.2215 Factor on Mean
- 1.2411 Factor on Median**
- 1.4625 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

- 0.0129 Differential Mean to Median
- 26 Number of data points below the mean.
- 24 Number of data points above the mean.
- *Note- # below/above works on data sets up to 5,000 pts.



This second summary report shows the statistics after calibrating the values for 2022.

Commercial

AY2022- Com- After Adj- V4- 20220307a- All No 19s Trended

Summary Report

Statistics

49	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1616	Maximum Ratio	
0.8022	Range	
0.8507	Mean	(This is the average ratio for your sample.)
0.8265	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.8398	Weighted Mean	
1.5487	Sum of the Square of Deviations	
0.1443	AAD	
0.1796	Standard Deviation	

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

17.4590	COD	(Good indicator of confidence level.)
21.1151	COV	
1.0130	PRD- Price-Related or Factor Differential	(PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

Coefficients (0=Normal Distribution)

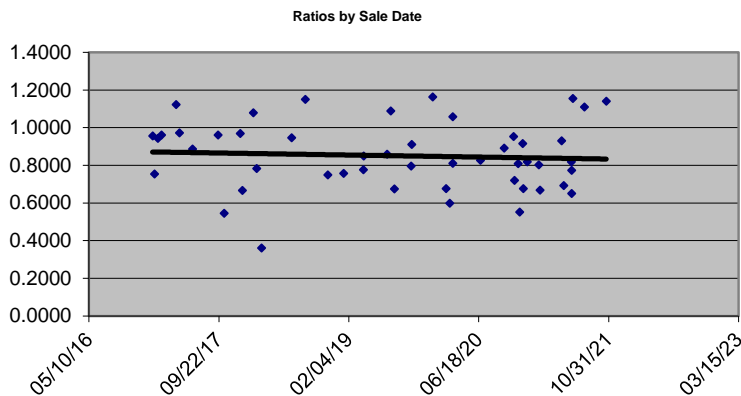
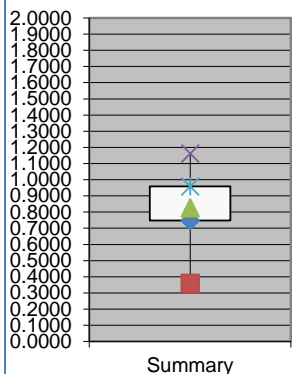
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0612
Alt.Pearson's Skew	0.4033

Trending Factors

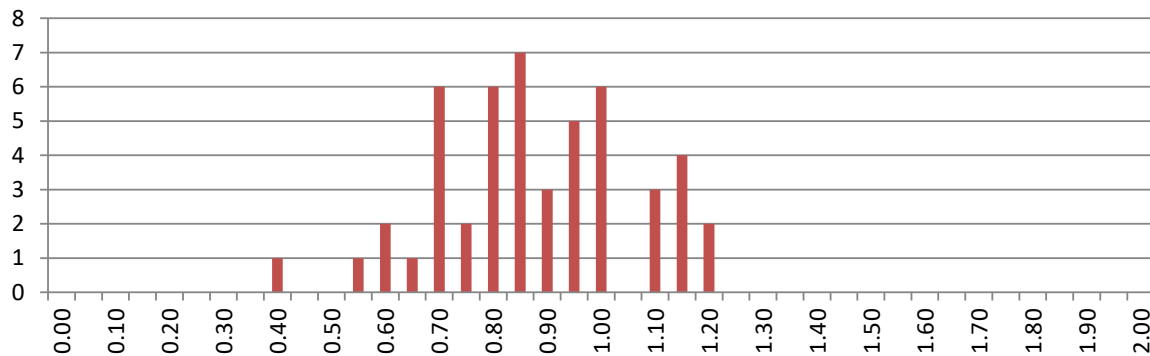
- 1.00 Target Level
- 1.1755 Factor on Mean
- 1.2099 Factor on Median**
- 1.1908 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

- 0.0241 Differential Mean to Median
- 26 Number of data points below the mean.
- 23 Number of data points above the mean.
- *Note- # below/above works on data sets up to 5,000 pts.



Histogram of Ratio Frequency



Please note one correction. After the close of the analysis and the sending of assessment notices but before the printing of this report it was discovered that one of the Qualified Market Sales was actually not an arms-length transaction. We reviewed the analysis to gauge the impact and found that removal of the sale only affected the statistical measures by a few thousandths of a percent and would not have led to any different conclusions on the changes to value for AY2022. The chart below illustrates the impact based on one of the analysis subsets, the overall commercial class without boathouses.

	Number of Sales	Mean	Median	COD	COV	PRD
Initial Study	49	0.85 (0.8507)	0.83 (0.8265)	17.4590	21.1151	1.0130
Without 7B0901030031	48	0.85 (0.8512)	0.83 (0.8328)	17.6308	21.3218	1.0093

Market Trend

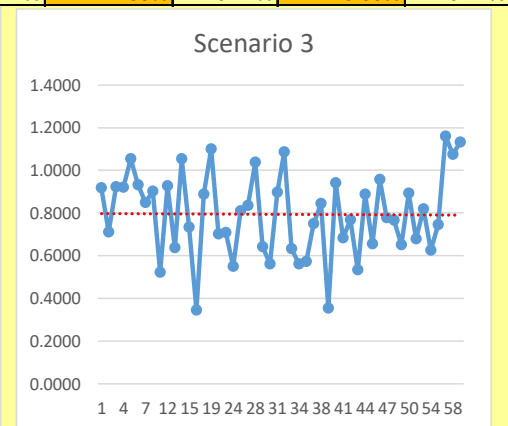
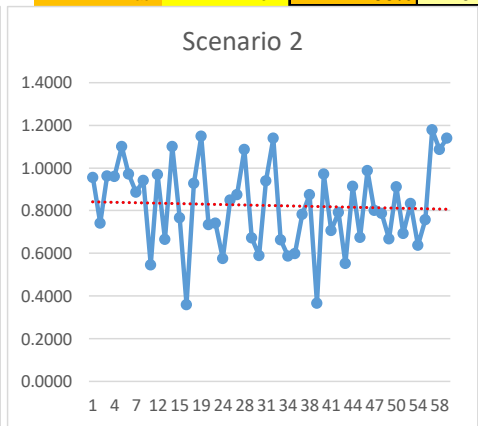
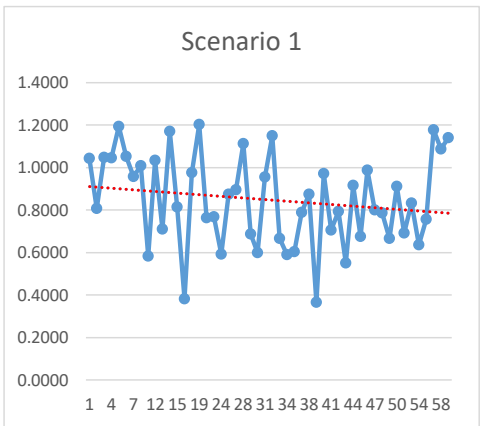
For Market Trend we reviewed the sales from the past 5 years and again tested various trend rates. We applied a trend of 5% for 2017, 2018 and 2019; a trend of 3% for 2020 and a trend of 2% for 2021. The middle “Scenario 2” in the chart below illustrates that trending. The trending that we applied was, once again, a conservative trending. The indicated actual market trend is 5% for each of the 5 years.

To maintain the same assessment level for commercial property we would have had to apply a 5% increase across the board. Applying an overall increase of 2% is more conservative and as a result we fell behind the market a little more and ended up with a lower level of assessment. However, while being more conservative increases the inequity between the residential and commercial classes of property, after partially closing that gap last year, our focus this year was to try to bring more equity into the commercial subclasses. We appear to have achieved that. (Refer to the chart in the “Overview Reconciliation & Conclusions” section.)

In the charts below, the three sales with high ratios in the last 6 months are high not because of a market change but because of other known issues with those sales. Also note that no trending was applied when we were analyzing the boathouse class of properties.

- Scenario 1 shows the results of a more minimal 2% per year with the downward trend line indicating that the market increase is higher than the 2%.
- Scenario 2 shows the results of the rates that we applied. The downward trend line indicates that while this trending is closer to market it is still less than market.
- Scenario 3 shows the results of the 5% per year. The trend line shows that the 5% is slightly less than but very close to market.

		Scenario 1	Scenario 2	Scenario 3
5 Yr. Back	2017	2.00%	0.17%	5.00%
4 Yr. Back	2018	2.00%	0.17%	5.00%
3 Yr. Back	2019	2.00%	0.17%	5.00%
2 Yr. Back	2020	2.00%	0.17%	3.00%
1 Yr. Back	2021	2.00%	0.17%	2.00%



The following chart shows the dataset counts by Class and/or Subgroup.

Dataset Counts

Note that most of these counts are after the removal of any sales that were indicated as an outlier by IAAO standards. The calculation for whether or not a sale is an outlier is done on a per dataset basis. So, a particular sale may be considered an outlier in one set and not an outlier in another. Therefore, the counts below may not mathematically add up even though they are correct for the particular set or subset. Also, the numbers can change from one version of a dataset to another and from the starting point to the ending point as refinements are made to the sales data.

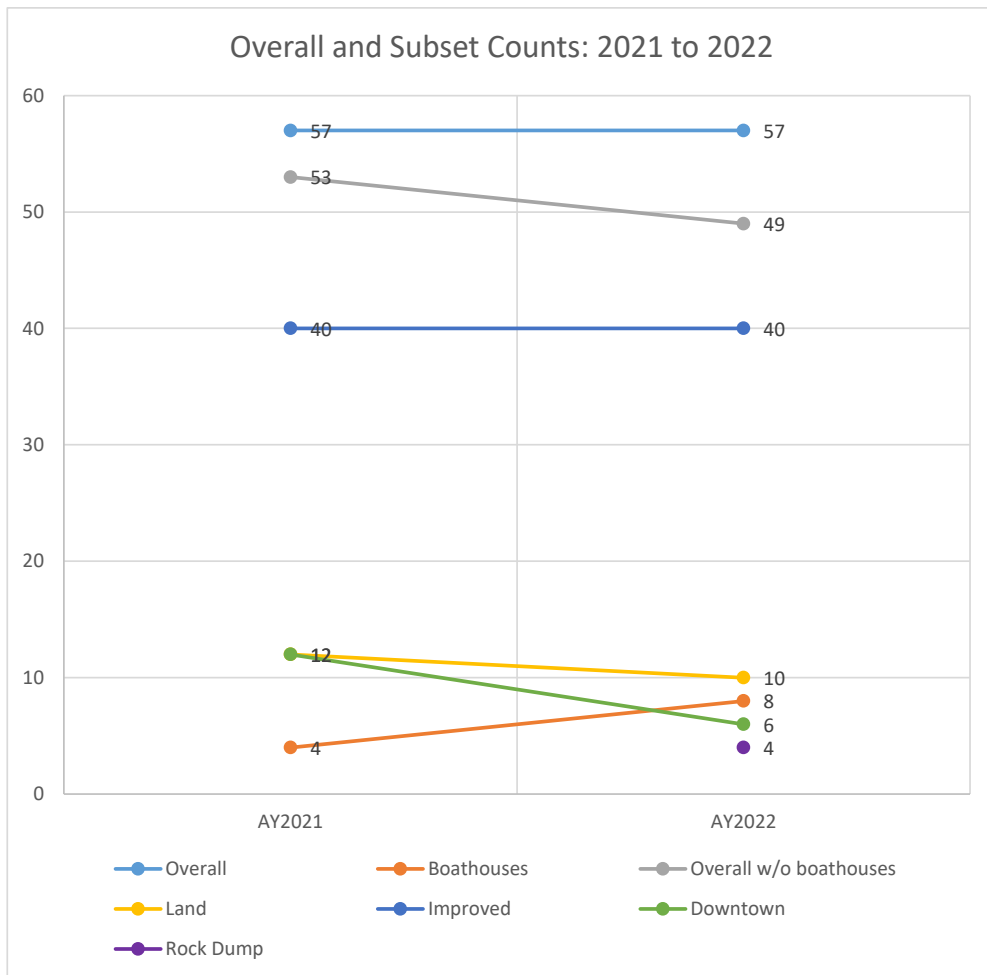
Counts of Sales Used in Ratio Studies After Removal of Outliers

Commercial

Class / Subgroup

Starting Point	
AY2021	AY2022
57	57
	7
45	50
	6
	4

Ending Point	
AY2021	AY2022
57	57
4	8
53	49
12	10
40	40
12	6
	4



See Addendum B for explanation of various count changes.

Outlier Explanation

Whether or not a sale is a market sale is dependent on the circumstances or conditions of the sale and applies across the different studies. Whether or not a sale is an outlier is dependent on the dataset being studied and can change from one dataset or study to another.

We use the following definition for determining if a sale is an outlier. Any sale that is more than 1.5 times outside the IQR (Interquartile Range), either above or below, is considered a "Standard Outlier" and any sale that is more than 3 times outside the IQR is considered an "Extreme Outlier." This is based off of the following definition of an outlier from Appendix B of the IAAO Standard on Ratio Studies: "The term outlier is often associated with ratios that fall outside 1.5 multiplied by the IQR. A factor of 3.0 X IQR often is chosen to identify extreme outliers."

For each study a decision must be made whether or not to include outliers. As a general rule outliers are not included in normal studies but may be included in a special study such as where you are specifically looking at the impact of the outliers.

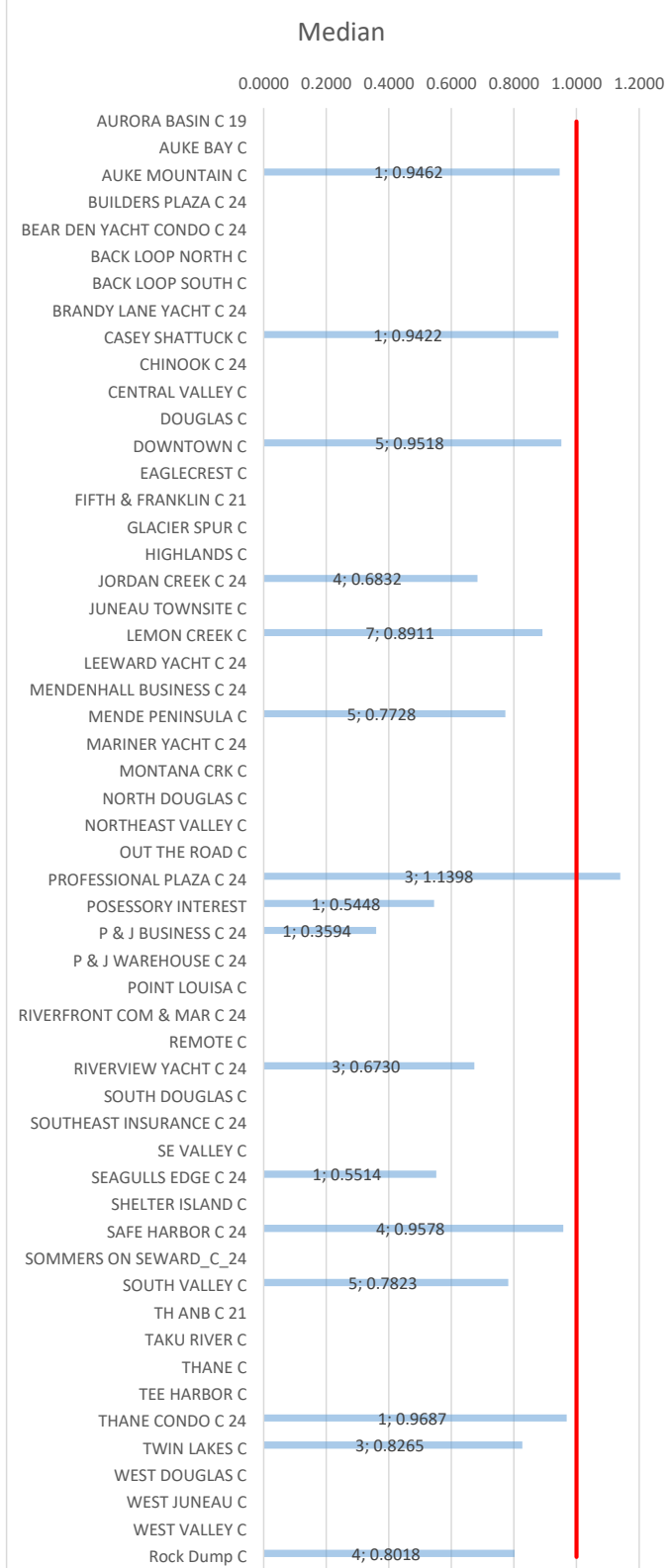
Neighborhood Statistics

The following tabular data and chart show the medians by neighborhood for the commercial properties.

Commercial

Commercial Neighborhood Summary

<u>Neighborhood</u>	<u>Count</u>	<u>Median</u>
AURORA BASIN C 19		
AUKE BAY C		
AUKE MOUNTAIN C	1	0.9462
BUILDERS PLAZA C 24		
BEAR DEN YACHT CONDO C 24		
BACK LOOP NORTH C		
BACK LOOP SOUTH C		
BRANDY LANE YACHT C 24		
CASEY SHATTUCK C	1	0.9422
CHINOOK C 24		
CENTRAL VALLEY C		
DOUGLAS C		
DOWNTOWN C	5	0.9518
EAGLECREST C		
FIFTH & FRANKLIN C 21		
GLACIER SPUR C		
HIGHLANDS C		
JORDAN CREEK C 24	4	0.6832
JUNEAU TOWNSITE C		
LEMON CREEK C	7	0.8911
LEEWARD YACHT C 24		
MENDENHALL BUSINESS C 24		
MENDE PENINSULA C	5	0.7728
MARINER YACHT C 24		
MONTANA CRK C		
NORTH DOUGLAS C		
NORTHEAST VALLEY C		
OUT THE ROAD C		
PROFESSIONAL PLAZA C 24	3	1.1398
POSESSORY INTEREST	1	0.5448
P & J BUSINESS C 24	1	0.3594
P & J WAREHOUSE C 24		
POINT LOUISA C		
RIVERFRONT COM & MAR C 24		
REMOTE C		
RIVERVIEW YACHT C 24	3	0.6730
SOUTH DOUGLAS C		
SOUTHEAST INSURANCE C 24		
SE VALLEY C		
SEAGULLS EDGE C 24	1	0.5514
SHELTER ISLAND C		
SAFE HARBOR C 24	4	0.9578
SOMMERS ON SEWARD_C_24	4	0.9578
SOUTH VALLEY C	5	0.7823
TH ANB C 21		
TAKU RIVER C		
THANE C		
TEE HARBOR C		
THANE CONDO C 24	1	0.9687
TWIN LAKES C	3	0.8265
WEST DOUGLAS C		
WEST JUNEAU C		
WEST VALLEY C		
Rock Dump C	4	0.8018



Summary of Performance Tests and Measures (Statistics) Residential

This summary report shows statistics for residential properties from the starting point for assessment year 2022 showing a mean of 0.9570 and a median of 0.9565.

AY2022- Residential Starting Point, Trended Summary Report

Statistics

Current

1007	Count (Number of Records with Ratio)
0.7360	Minimum Ratio
1.1930	Maximum Ratio
0.4570	Range

0.9570	Mean (This is the average ratio for your sample.)
0.9565	Median (This is the mid-point value for your sample. Preferred measure of central tendency.)
0.9616	Weighted Mean
7.2748	Sum of the Square of Deviations
0.0671	AAD
0.0850	Standard Deviation

7.0134	COD (Good indicator of confidence level.)
8.8855	COV
0.9953	PRD- Price-Related or Factor Differential (PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

Coefficients (0=Normal Distribution)

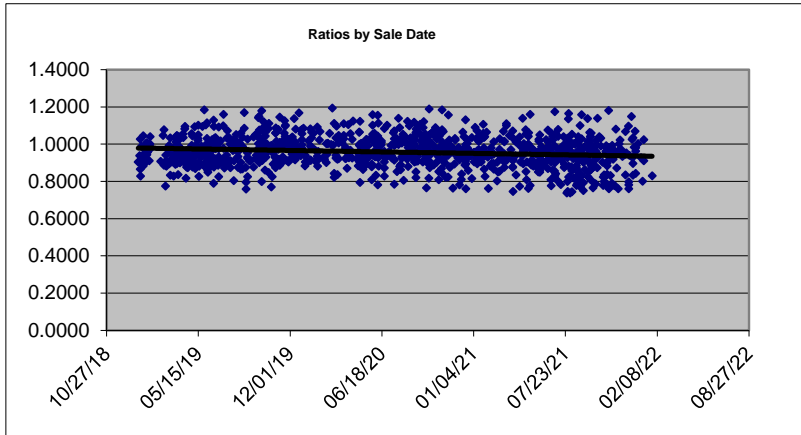
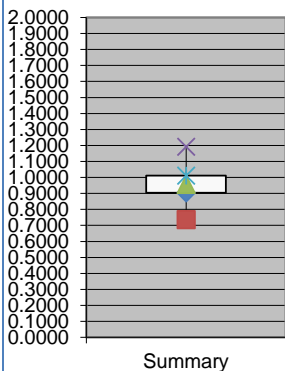
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0050
Alt.Pearson's Skew	0.0177

Trending Factors

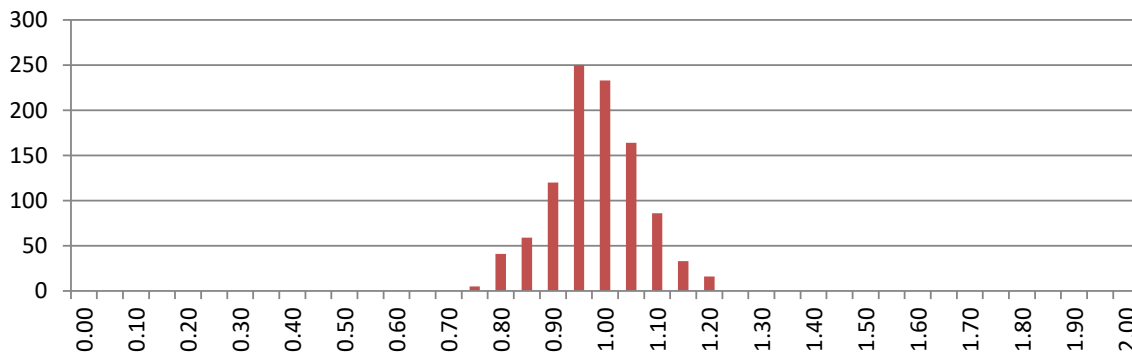
- 0.85 Target Level
- 0.8882 Factor on Mean
- 0.8886 Factor on Median**
- 0.8839 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

- 0.0005 Differential Mean to Median
- 506 Number of data points below the mean.
- 501 Number of data points above the mean.
- *Note- # below/above works on data sets up to 5,000 pts.



Histogram of Ratio Frequency



This second summary report shows the statistics for residential properties after calibrating the values for assessment year 2022 showing a mean of 0.9752 and median of 0.9748.

AY2022- Residential, After Adjustments, Trended Summary Report

Statistics

Current

1040	Count (Number of Records with Ratio)
0.7792	Minimum Ratio
1.1807	Maximum Ratio
0.4015	Range
0.9752	Mean (This is the average ratio for your sample.)
0.9748	Median (This is the mid-point value for your sample. Preferred measure of central tendency.)
0.9751	Weighted Mean
5.5631	Sum of the Square of Deviations
0.0567	AAD
0.0732	Standard Deviation
5.8171	COD (Good indicator of confidence level.)
7.5035	COV
1.0001	PRD- Price-Related or Factor Differential (PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

Coefficients (0=Normal Distribution)

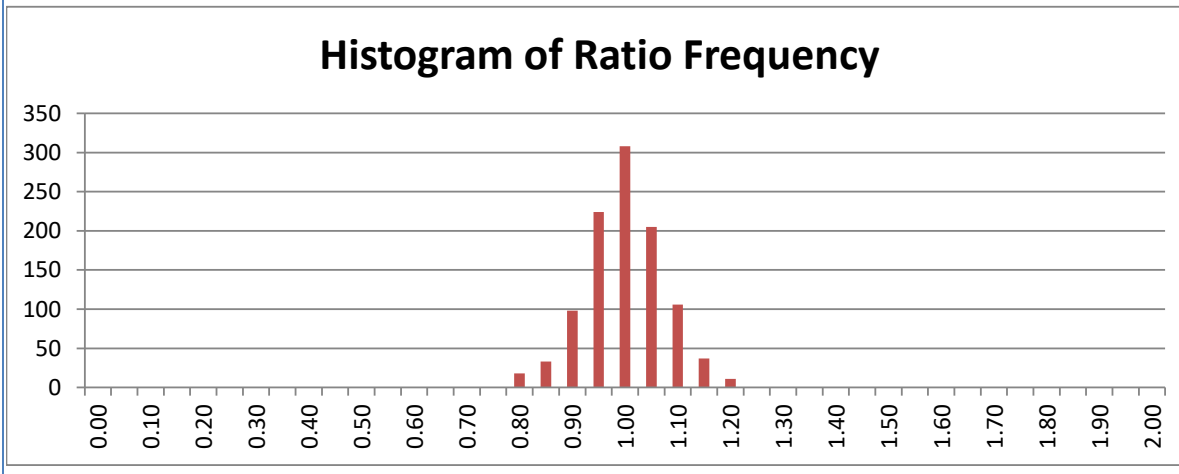
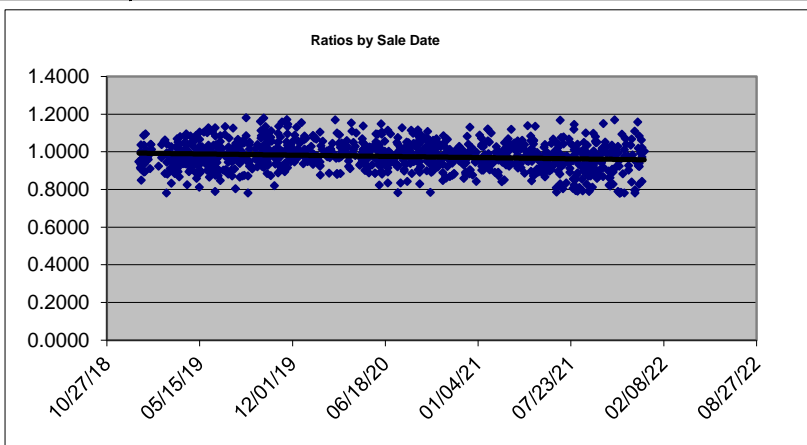
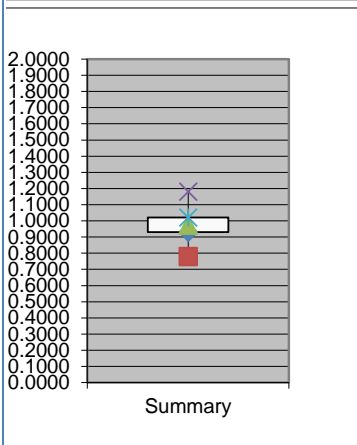
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0096
Alt.Pearson's Skew	0.0173

Trending Factors

- 0.85 Target Level
- 0.8716 Factor on Mean
- 0.8720 Factor on Median**
- 0.8717 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

- 0.0004 Differential Mean to Median
- 525 Number of data points below the mean.
- 515 Number of data points above the mean.
- *Note- # below/above works on data sets up to 5,000 pts.



Note that this is an overview of the reconciliation and conclusions. Much deliberation and review occurs within the analysis process that cannot be captured here.

If we were a larger jurisdiction with thousands of sales and hundreds of sales in particular subsets, then we could make more precise changes to correct the imbalance between residential and commercial properties.

Over the next few years we will continue to work to:

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

We took a first step in this process with the Assessment Year 2021 values. In Assessment Year 2022 we are applying a smaller overall increase but are also making increases and decreases to bring more uniformity between commercial classes. The subsets receiving additional adjustment include the Rock Dump area, the Downtown area, warehouse condominiums and the boathouses. The work to bring all commercial properties closer to market, to bring more parity to residential and commercial properties and to bring more uniformity between commercial classes will continue.

The adjustments being applied to commercial properties this year will result in:

- a 2% increase overall
- a 2% decrease to downtown commercial properties
- a 2% decrease to boathouses
- no change to warehouse condominiums
- a 35% increase to Rock Dump area land and a 2% increase to Rock Dump building values.

Note that the decrease to downtown commercial properties was applied even though those properties were not overvalued. It was applied in our effort to improve the uniformity of commercial subgroup valuation levels.

Submarkets, Stratifications and Characteristics Adjustments Commercial Properties

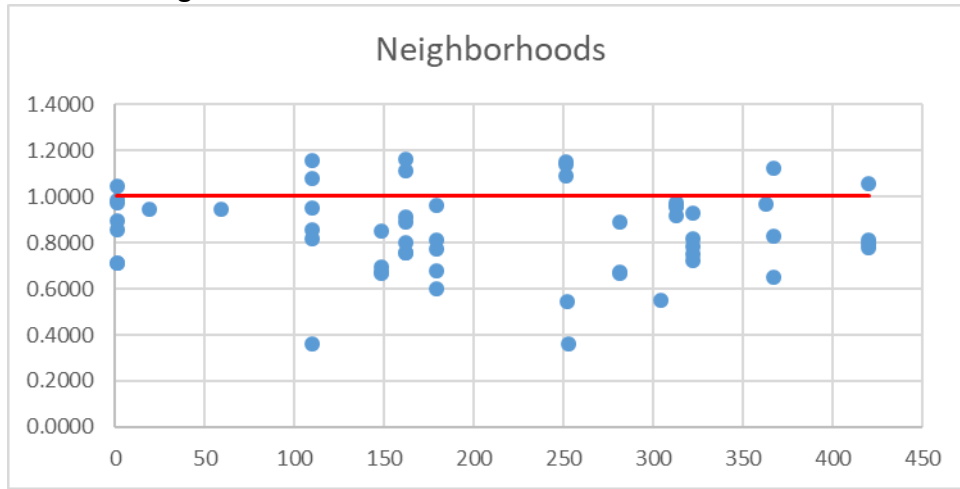
In doing the analysis we looked at subtypes or submarkets to determine if any type of property needed to be excluded from the general adjustment. Influences that we looked at included date ranges, price ranges, property types/use classifications and market areas (neighborhoods). We hope to add more categories back into the mix next year including service areas, zoning, land grade, acreage size, building size and other feature adjustment categories.

In looking at market areas, special attention was paid to the downtown area in 2020 and in 2021, as it would seem that they would be most impacted by the Covid restrictions. A graph of market areas (neighborhoods) was presented above. There were only 4 market areas for which we had 5 or more sales. There was only 1 neighborhood with a ratio over 1.00 and that was based on 3 sales. That neighborhood is a known challenge and is slated for a new valuation model as the properties in that neighborhood were originally valued on an allocation basis.

The following charts are from the audit analysis AFTER the calibration adjustments. They include scatter diagrams for market areas (neighborhoods) and/or other select subgroups that had 5 or more sales.

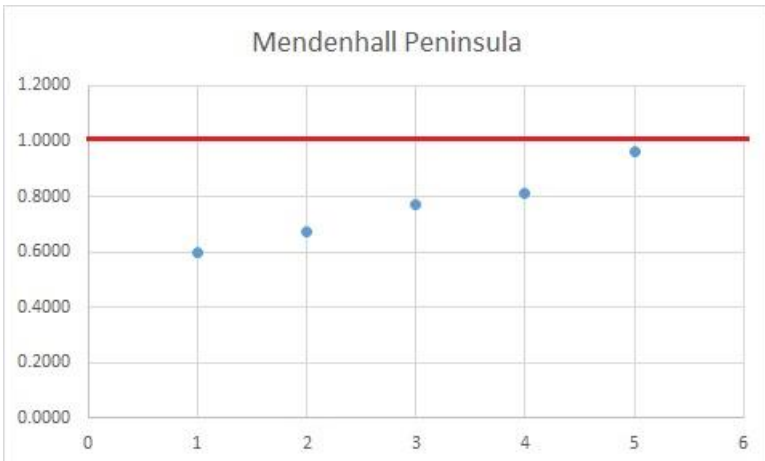
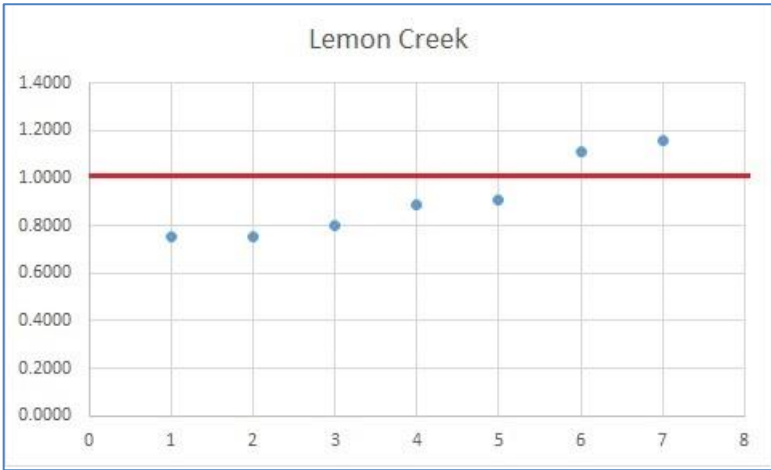
The scatter diagram below shows the distribution of ratios by neighborhood, with each column being a separate neighborhood. The numbers along the horizontal (x) axis are neighborhood code numbers. The red line is the target of market value.

Commercial



The following scatter diagrams show the distribution of the ratios within particular neighborhoods. The numbers in the horizontal (x) axis of these diagrams is simply a sale count number and they are arrayed in ratio order.





The chart below shows the ratios for the entire data set after the adjustments. The red horizontal line indicates market.

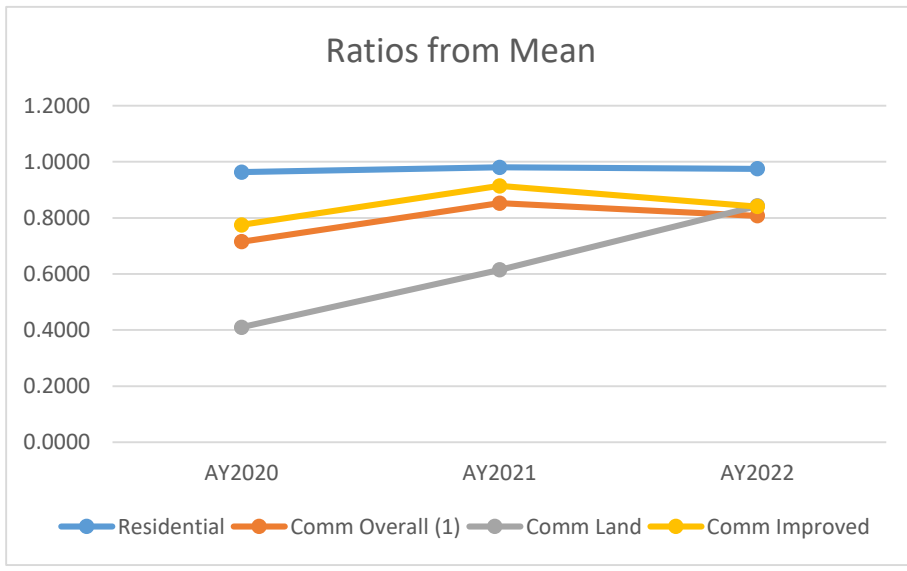
Commercial



Ratios from the Mean

	<u>AY2020</u>	<u>AY2021</u>	<u>AY2022</u>
Residential	0.9629	0.9800	0.9752
Comm Overall (1)	0.7149	0.8526	0.8070
Comm Land	0.4095	0.6143	0.8426
Comm Improved	0.7748	0.9142	0.8404

(1) Does not include boathouses.

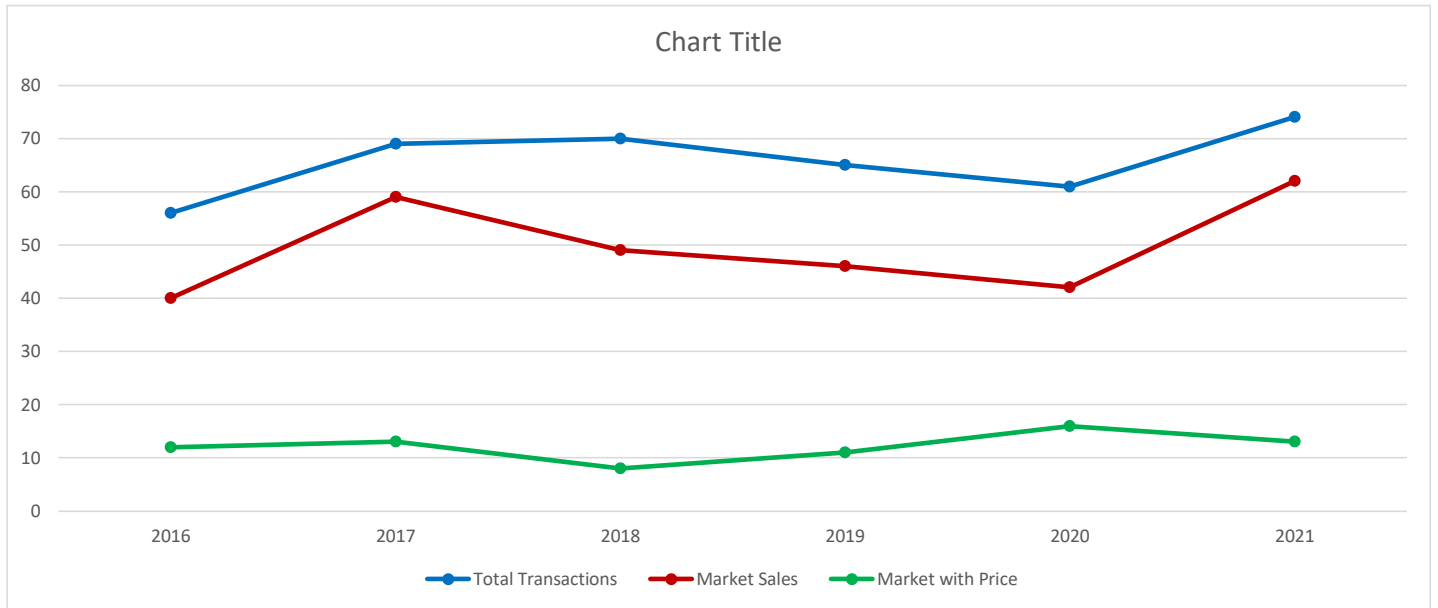


Commercial Market Information

The following chart shows the number of sales per year in three groups- total transactions, market sales and market sales for which we know the sales price. You can see that in spite of the pandemic the sales volume held steady in 2020 and actually increased in 2021. You can also see that in spite of the ordinance requiring disclosure of sales prices, for commercial sales we actually received prices on a lower number and a lower percentage of sales in 2021 compared to 2020.

Commercial

Year	2016	2017	2018	2019	2020	2021
Total Transactions	56	69	70	65	61	74
Market Sales	40	59	49	46	42	62
Market with Price	12	13	8	11	16	13

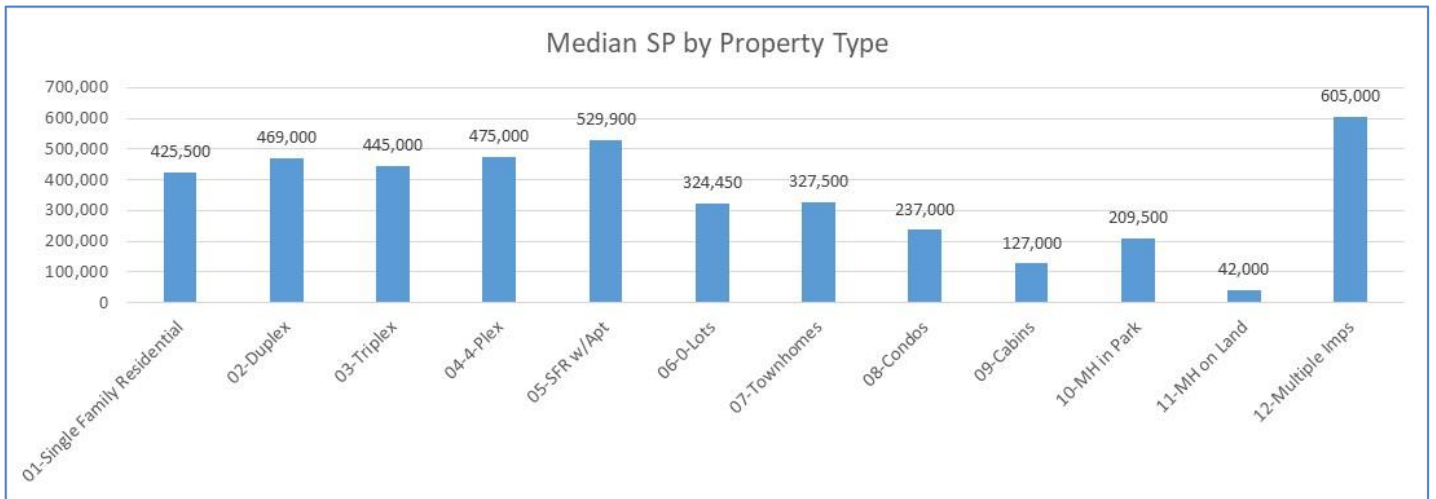
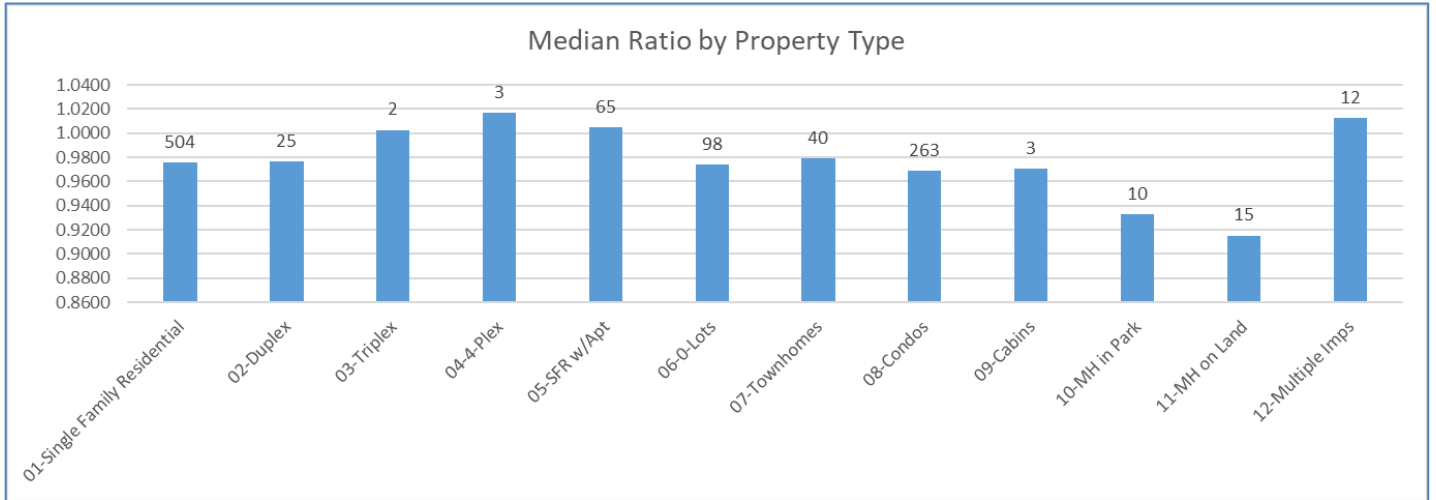


Residential

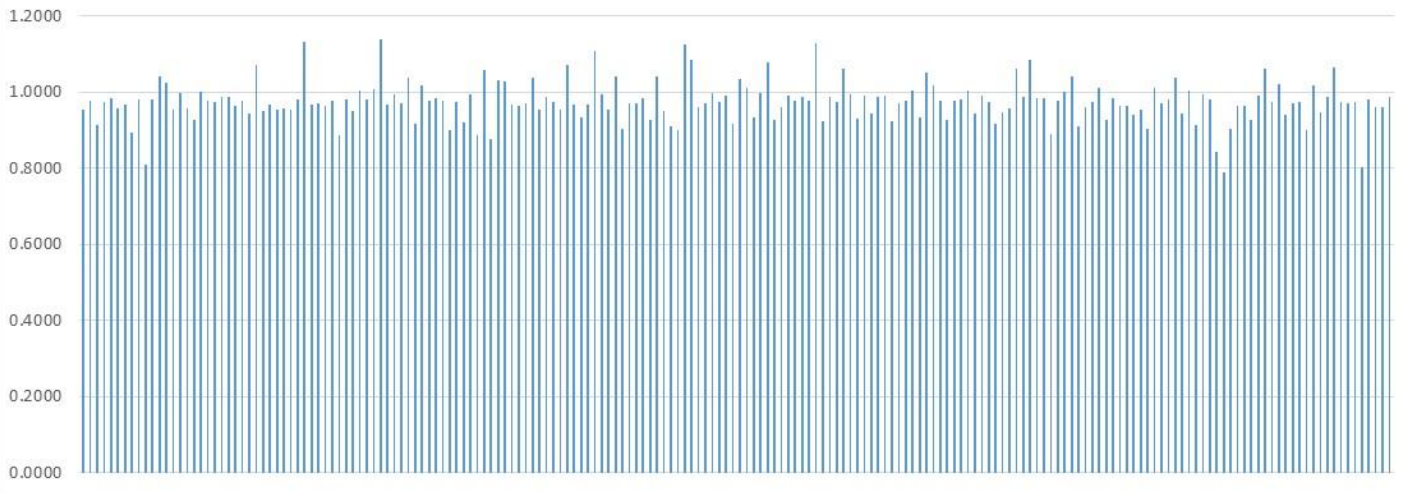
The following charts are from the audit analysis AFTER the calibration adjustments.

These charts show median assessed value to sales (a/s) ratios and median sales prices. On the median ratio chart the number above the column is the number of qualified market sales in that group.

Residential



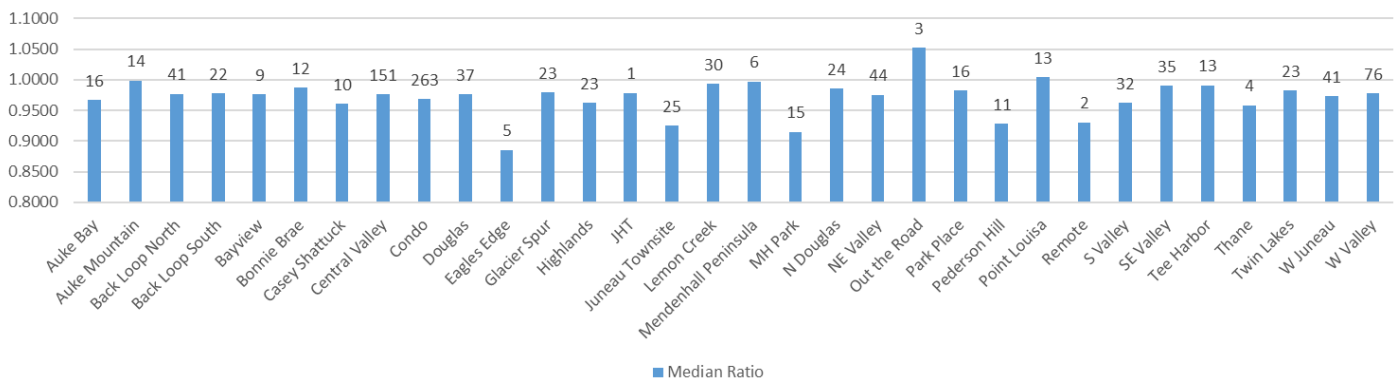
Packet Page 64 of 112
Median Ratio by Neighborhood



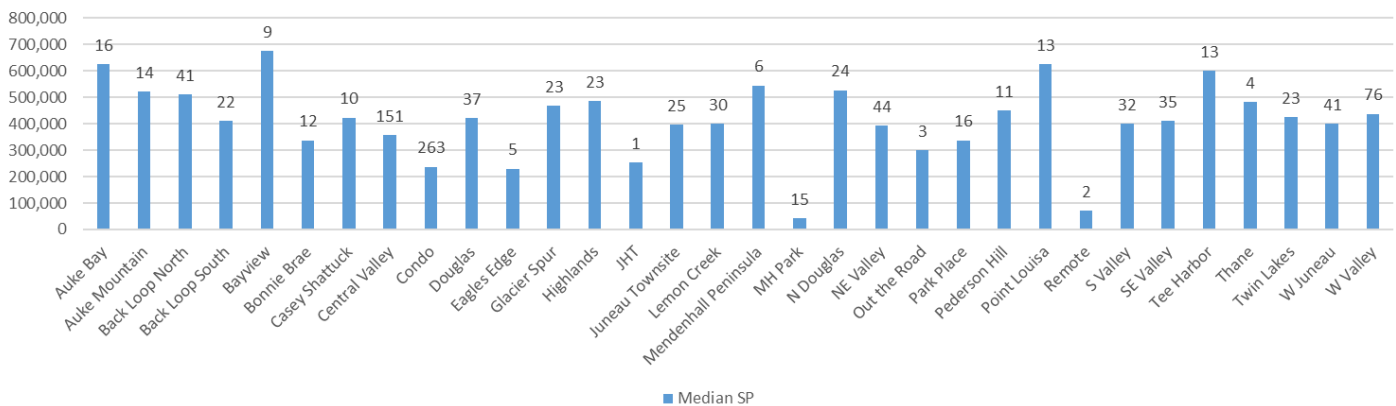
Neighborhoods with a ratio over one did not have enough qualified market sales to provide a basis for additional adjustment.

Again, the number above the column is the number of qualified market sales in that group.

Median Ratio by Locality



Median SP by Locality



The chart below shows the percent change of assessed values per building type from 2021 to 2022.

Residential

Description	2021 AV *	2022 AV *	% Change *	Count
01-Single Family Residence	\$ 408,850	\$ 446,850	8.4%	4986
02-Duplex	\$ 444,300	\$ 484,500	8.7%	299
03-Triplex	\$ 465,500	\$ 518,800	10.9%	43
04-4-Plex	\$ 553,800	\$ 596,300	8.3%	107
05-SFR w/ Apt	\$ 521,200	\$ 577,700	9.4%	789
06-Zero-lot	\$ 305,400	\$ 329,900	7.9%	865
07-Townhouse	\$ 318,550	\$ 349,750	8.9%	192
08-Condo	\$ 221,700	\$ 232,100	6.7%	1284
09-Cabin	\$ 91,800	\$ 91,800	0.0%	187
10-MH on Land	\$ 191,500	\$ 204,550	1.2%	224
11-MH in Park	\$ 35,200	\$ 36,950	4.3%	958
12-Multiple Improvement	\$ 571,700	\$ 627,000	8.6%	193
17-Vacant Land	\$ 121,500	\$ 121,000	0.0%	1248
<i>AV = Assessed value</i>				
<i>* indicates median value</i>				

Residential Comments

- Building cost increases were applied to the residential building components.
- After the building cost increases were applied the values were re-analyzed against sales on a neighborhood basis.
- Residential property values increased across the board due to a strong residential market in Juneau.

General Reconciliation & Conclusions Summary

After consideration of the data, the various models, and the performance measurements and tests, we have applied the changes to the assessed values for 2022 as indicated by market sales as outlined in the above sections.

All three approaches were considered for all properties. Similar appraisal methodologies were applied to similarly classed properties in order to promote equity and uniformity. For some classes of properties one or more of the approaches were not given significant weight. Additional information in this regard can be found in the supporting documentation.

Statements & Definitions

Type and Definition of Value (Interest Being Appraised)

The value being assessed is fee simple ownership interest at 100% of market value as of the effective date. Market value is the amount of money a willing buyer, not obligated to purchase, would pay and a willing seller, not obligated to sell, would accept for a property.

Highest and Best use Definition

A property's use may or may not represent its highest and best use. The highest and best use is the most profitable use given the probable legal, physical, and financial constraints.

Statement of Assumptions and Limiting Conditions

1. This report and the associated assessed values are intended for ad valorem taxation purposes and may not be applicable for any other use.
2. The following are general statements. Records pertaining to individual properties may list specific exceptions.
3. It is assumed that:
 - Title is free and clear.
 - There are no encroachments.
 - There are no hidden defects or conformity issues.
 - There is no contamination or hazardous materials present.
4. Property attributes observed upon exterior inspection are assumed to be representative of interior attributes when interior inspections were not feasible.

Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the personal, impartial, and unbiased professional analyses, opinions and conclusions of the Assessor's Office.
- I and the Assessor's Office staff have no present or prospective interest in the property that is the subject of this report except any personal real estate holdings we may have within the borough. No individual inspected their own property.
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions and conclusions were developed, and the report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the properties that are the subject of this report as outlined in our revaluation plan.
- The Assessor's Office staff provided significant mass appraisal assistance to the person (the Assessor) signing this certification.



Mary Hammond, City and Borough of Juneau Assessor

Addendum A – Commercial Sales List

This is a list of Qualified Market Sales. (Market Sales for which we have a confirmed price.) The total potential sales for use in studies for AY2022 was 59.

Commercial

Parcel Num	Sale Date	Sale Price	Trended SP	AV Total	Number Street	Buyer	Use Type	Neighborhood
4B1701090228	01/10/17	150,000	180,250	172,300	10011 CRAZY HORSE		30	SAFE HARBOR C 24
5B1201060140	01/18/17	1,400,000	1,680,778	1,265,423	5720 CONCRETE WAY	ALCOR LANDS LLC	24	LMNC_C
1C030C280080	01/30/17	930,000	1,114,967	1,050,560	712 W TWELFTH ST	712 W 12TH ST LLC	21	CASH_C
4B1701090223	02/14/17	150,000	179,521	172,300	10011 CRAZY HORSE DR	BENTON AND MEIER M	30	SHRC_C_24
7B0901030071	04/11/17	1,540,000	1,831,103	2,054,226	3161 CHANNEL DR	FRONTIER PROPERTIES	21	TWLKS_C
4B1701090226	04/24/17	130,000	154,339	149,800	10011 CRAZY HORSE DR	PAUL J THOMAS & AM	30	SHRC_C_24
4B1601050030	06/13/17	104,000	122,749	108,800	2274 INDUSTRIAL		30	RIVERVIEW YACHT C
1C020K01E220	09/07/17	32,000	37,387	26,500	1435 HARBOR		19	AURORA BASIN C 19
1C020K01E230	09/07/17	32,000	37,387	26,500	1435 HARBOR WAY	BLAKE RIDER	19	ABBC_C_19
4B1601010040	09/19/17	750,000	875,000	839,562	2450 INDUSTRIAL BLVD	BAD DOG INVESTMENT	24	MNDP_C
3B1501020030	10/12/17	65,000	75,626	41,200	1669 CREST ST	CITY AND BOROUGH O	24	PINT_C
1C110K150900	12/13/17	160,000	184,778	179,000	125 MILL ST	ALASKA SUSTAINABLE I	30	THNC_C_24
5B15011109B0	12/22/17	300,000	346,083	230,384	2231 JORDAN AVE	TAMAR MARY BOYD	21	JDCC_C_24
1C070K820030	02/02/18	950,000	1,090,389	1,175,611	254 S FRANKLIN ST	TIMOS GIAMAKIDIS & J	20	DWNTN_C
5B1601000023	02/15/18	968,750	1,110,161	868,428	9151 GLACIER HWY	ST VINCENT DEPAUL SC	24	SVLY_C
4B1601080070	03/05/18	73,000	83,473	30,000	2278 INDUSTRIAL		30	P & J BUSINESS C 24
4B2901020010	06/29/18	1,000,000	1,127,361	1,066,665	10200 MENDENHALL LOO	GLACIER NALU LLC	31	AUKM_C
1C020K01G200	07/25/18	27,500	30,903	26,500	1435 HARBOR WAY	WILLIAM J GOERTZEN	19	ABBC_C_19
5B1601140070	08/21/18	240,100	268,912	308,850	9309 GLACIER HWY	RNL LLC	21	PFPC_C_24
5B1501040020	11/16/18	900,000	997,125	745,824	8855 MALLARD ST	GLACIER HOLDINGS LLC	24	SVLY_C
5B1201020041	01/15/19	1,780,000	1,957,258	1,481,142	5433 SHAUNE DR	AKBEV GROUP LLC	24	LMNC_C
1C020K01G290	02/28/19	25,000	27,337	26,500	1435 HARBOR		19	AURORA BASIN C 19
1C110K120150	04/01/19	597,938	651,171	505,400	0 MILL ST	M & M TOURS LIMITEC	17	RKDP_C
5B15011103A0	04/02/19	370,000	402,889	341,836	2207 JORDAN AVE	SOUTHEAST ALASKA CC	21	JDCC_C_24
1C020K01G280	06/28/19	25,000	26,920	26,500	1435 HARBOR		19	AURORA BASIN C 19
1C070B0N0011	07/01/19	2,300,000	2,475,694	2,122,380	259 S FRANKLIN ST	RBG HOLDINGS LLC	20	DWNTN_C
5B1601140043	07/16/19	145,000	155,774	169,350	9309 GLACIER		21	PROFESSIONAL PLAZ
4B1601050160	07/30/19	115,000	123,322	83,000	2276 INDUSTRIAL BLVD	JUNEAU INTERIORS ST/	30	RVYC_C_24
1C110K120120	10/02/19	378,818	402,862	320,200	0 MILL ST	GASTINEAU GUIDING P	17	RKDP_C
5B1201000060	10/04/19	2,205,832	2,345,228	2,135,104	5245 GLACIER HWY	PETRO 49 INC	24	LMNC_C
5B1201300110	12/24/19	225,000	236,688	274,941	1783 ANKA		17	LEMON CREEK C
4B1701080020	02/13/20	800,000	837,756	565,539	10012 CRAZY HORSE DR	RPA INVESTMENTS	24	MNDP_C
4B1701090056	02/28/20	1,567,000	1,638,995	980,577	10009 CRAZY HORSE DR	R & L LEASING INC	17	MNDP_C
1C110K120140	03/10/20	378,818	395,875	320,200	0 MILL ST	BONNELL DEVELOPMEI	17	RKDP_C
1C110K120051	03/10/20	612,788	640,380	676,800	0 EASTAUGH WAY	EASTAUGH WAY LLC	17	RKDP_C
1C020K01E300	06/23/20	17,500	18,135	26,500	1435 HARBOR WAY	RESOURCE INC & ROGE	19	ABBC_C_19
7B0901030031	06/25/20	9,744,050	10,095,918	8,344,671	3100 CHANNEL DR	SOUTHEAST ALASKA RE	24	TWLKS_C
5B1201300110	09/24/20	300,000	308,558	274,941	1783 ANKA ST	MICHAEL HULL & ANGI	17	LMNC_C
1C060K010031	10/09/20	20,000,000	20,545,556	7,373,814	0 EGAN DR	NCL (BAHAMAS) LTD	24	DWNTN_C
1C060K660110	10/30/20	1,400,000	1,435,739	1,366,511	711 W WILLOUGHBY A\	GOLD LODGE LLC	18	DWNTN_C
5B1401050010	11/03/20	2,009,000	2,059,616	1,482,111	7900 HONSINGER DR	49ER INVESTMENT GRC	17	SVLY_C
4B1701020020	11/17/20	650,000	665,618	538,254	10011 GLACIER HWY	ALASKA ON POINT PRO	24	MNDP_C
5B1201060260	11/23/20	486,000	497,435	274,300	5719 CONCRETE WAY	SETH M KOCH	21	SGEC_C_24
4B1701090218	12/04/20	155,000	158,505	145,000	10011 CRAZY HORSE DR	JEFF CARPENTER & GIN	30	SHRC_C_24
5B15011107E0	12/07/20	340,000	347,603	234,498	2221 JORDAN AVE	FAMILY PROMISE OF JL	21	JDCC_C_24
5B1401050100	12/22/20	479,138	489,253	399,789	0 HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	377,802	302,940	0 COMMERCIAL BLV\	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	162,898	108,800	2274 INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	1,300,000	1,317,550	1,224,918	8717 MALLARD ST	PETE J THIBODEAU & R	30	SVLY_C
5B15011121E0	05/11/21	325,000	329,243	227,766	2211 JORDAN AVE	STEVEN M TORRENCE I	21	JDCC_C_24
1C020K01G280	05/14/21	25,000	25,322	26,500	1435 HARBOR WAY	JAMES L SPRAGUE	19	ABBC_C_19
1C060K700020	06/10/21	430,000	434,897	355,250	607 W SEVENTH ST	JUNEAU ECONOMIC DE	24	DWNTN_C
7B0901040110	06/11/21	3,100,000	3,135,133	2,034,222	3225 HOSPITAL DR	SOUTHEAST ALASKA RE	30	TWLKS_C
4B1701100200	06/11/21	240,000	242,720	187,578	10155 JENSINE ST	KURT S TVENTEN & RU	30	MNDP_C
1C060K700011	06/16/21	680,000	687,518	793,604	612 W WILLOUGHBY A\	JUNEAU ECONOMIC DE	21	DWNTN_C
5B1201260020	07/30/21	410,000	413,531	458,493	1995 LEMON CREEK RD	BRYSON REAL ESTATE I	18	LMNC_C
1C020K01E240	09/14/21	29,500	29,679	26,500	1435 HARBOR WAY	ZACH DECKER & ALISH/	19	ABBC_C_19
5B1601140092	10/22/21	499,900	501,872	572,050	9309 GLACIER HWY	BLANC DE BLANC PROF	21	PFPC_C_24
1C070A050060	11/24/21	1,250,000	1,252,639	2,547,520	234 SEWARD ST	GOLDSTEIN IMPROVEN	24	DWNTN_C

Dataset Count Variations

AY2022 Ending Point Studies

Class / Subgroup

Potential	Used	Notations	
Overall	59	57	2 Outliers (1C020K01E300 & 1C070A050060)
Boathouses	8	7	1 Outlier (1C020K01E300)
Overall w/o boathouses	51	49	2 Outliers (1C060K010031 & 1C070A050060)
Land	10	10	
Improved	41	40	1 Outlier (1C070A050060)
Downtown	7	6	1 Outlier (1C070A050060)
Rock Dump		4	



Assessment Procedures
Sales Validation and Verification

Sales Validation

Sales Validation is the process of determining if a sale occurred and, if so, if it is a market sale.

The primary classifications for a “transaction” in the validation process are:

- Non-Sale: These are things like name corrections, deed corrections, transfers to a trust, foreclosures, etcetera. The current process in Govern is to not create a sales record for the non-sale transactions. If after a sales record is created it is discovered to be a non-sale it can be marked as “Rejected” in the Qualification field.
- Market Sale: These are sales that are, to the best of our knowledge, market sales.
- Non-market Sale: These are transactions that are sales but are not considered market sales. This would include sales that are:
 - Non-Arms-Length Transactions
 - Purchase of Contiguous Property (Plottage, Assemblage, etc.)
 - Family
 - Estate
 - Divorce
 - Bank Sales (Sales After Foreclosure)
 - Tax Sales and Auctions
 - Related Entity
 - Pre-foreclosure and Short Sales
 - Sales that were not listed on the open market or were listed for a shorter than normal period of time
 - Multi-Parcel Sales (Unless the parcels are clearly an economic unit that likely would never be sold separately and there is a mechanism to automatically pull the totals from the CAMA system or there is reasonable opportunity to manually adjust the data such as for a one-time special study.)
 - Any sale with known duress

While it is desirable to include as many sales as possible in your sales sample, this is not true if it comes at the expense of having clean data. It is well established that the above listed sales conditions often lead to sales that are not representative of the overall market. In rare circumstances the decision may be made to include one of these sales, however, it needs to be well substantiated and documented as to why an exception is being made.

An example of this might be a scenario such as this: a residential estate sale where the Assessor’s Office knows that there were no ongoing mortgage payments, the heirs were local so it was easy to watch after the property, they took their time sorting through the personal effects, held garage sales and then listed it with a realtor with no need for it to sell quickly. Rarely do we have the kind of knowledge sufficient to make an exception.

If adherence to the policy becomes lax it raises the potential for appraiser bias to taint the sales data.

Documentation in Govern

- Govern Qualification Field
 - **Unverified** – Continued research. This will be the default category for new sales records. Records in this category are sales that are to be researched and categorized.
 - **No Data** – Continued research. These are sales that have been researched and may be market but for which the validation is not complete or we are missing the sales price or other critical data. Typically sales in this category would see some continued effort to finalize the categorization.

- **Qualified** – These are market sales for which we have good data including the sales price.
- **Rejected** – These are sales identified as or suspected to be non-market.
- **Not Qualified** – Not being further researched. These are sales that have been researched but for which there is inadequate information to make a determination. Typically these sales would not be actively researched further but that, if we came across additional information, could be reclassified. An example would be a property that we know sold but we could not find any listing information for, we don't know if it was marketed, we have no sales price and there has been no response to the buyer/seller letters. If a number of months later it shows up as a comp in an appraisal and from that we figure out that it was marketed (under an alternate address or some other reason that caused us not to be able to find the listing) and we now have all of the information that we need to determine that it was a market sale and to verify the sale price then we could reclassify it to Qualified.
- **Notes**
 - As validation research is done it should be documented through notes in Govern.
 - If you have a possible but not verified sales price please do not put it in the sales price field but rather document it in the notes. The only prices listed in the sales price field should be verified sales prices.
- **Govern Condition Code (Used for State reporting.)**
 - For any "Rejected" sales a classification for the rejection needs to be selected.
 - Rejection classifications are:
 - Bank Sale
 - Divorce
 - Family Sale
 - Invalid – This classification is used as a last resort category to capture rejected sales that do not fit in one of the other categories.
 - Related Entity
 - Tax Sale
 - "Valid" – This classification does not need to be filled in for qualified sales. While it is not required it is preferable that it be filled in.
 - In addition, an "Adjustment Reason" needs to be selected in the Adjustment Reason field for each rejected sale.

Steps to Sales Validation

- Check document (type of instrument, who signed, considerations, unusual terms, personal property mentioned?)
- Review names for relationship potential (if sale involves LLC or other business look up principles)
- Review Notes in Sales Information (under Functions)
- Review Notes in Communication (Notes) Report
- Check for Buyer and Seller Sales Inquiry Letter responses
- Review I drive listings folder
- Review internet for exposure indications and property data
-

Sales Verification

Sales Verification is the process for verifying our records against what actually sold. This usually involves an inspection of the property as close to the time of sale as possible. Making sure that the condition is accurately reflected is a primary focus but attention is also paid to other aspects such as is the quality grade correct and does the GLA appear correct. Also of note would be if any major work is undertaken prior to or soon after the sale.

Currently, Sales Verification Inspections are not being conducted on a routine basis on all sales but rather only in select circumstances. These should be done for all sales.

Currently there is not a sales record where corrections are made to the data related to a sale. Rather the data for the current year is updated and the sales extracts pull property data from the CAMA's "current year." This means that in some cases corrections are necessary to data such as Property Type, SF, and/or even the AV.

Updates of data occur from review of listing data and from the property inspection.

Addendum D – CBJ Determination of Full and True Value

CBJ 15.05.100 Determination of full and true value:

Property shall be assessed at its full and true value in money, as of January 1 of the assessment year. In determining the full and true value of property in money, the person making the return, or the assessor, as the case may be, shall not adopt a lower or different standard of value because same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which the property would sell at auction, or at a forced sale, either separately or in the aggregate with all of the property in the taxing district, but the assessor shall value the property at a sum which the assessor believes it is fairly worth in money at the time of assessment.

(CBJ Code 1970, § 15.05.100; Serial No. 70-33, § 3, 1971)

State law reference(s)—Full and true value, AS 29.45.110.

Property Assessments

An overview for the Board of Equalization
To Be Presented June 2, 2022



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 Adjusted Cost Approach
- Preferred approaches are usually applied across a property class



Assessment Basics

- Computer Assisted Mass Appraisal (CAMA)
 - The CAMA system is the software within which most of the assessment administration and property valuation is managed
 - Most of our current land models determine values from a base rate (price per square foot or acre for example) adjusted for various factors of desirability or usability which is then adjusted to market based on market sales
 - We may move to a site value adjusted by size and features in the future.
 - Improvement value considers size, age, construction method, quality, condition and enhancing features
 - Land and improvements are reviewed for adjustment to market annually based on comparison to sales through the Ratio Study process



Property Value Models

- 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 Value Models

- The modeling process involves
 - Model Specification – Model specification is the process of determining what attributes effect value in your market and therefore should be in your model. This is primarily done once and then reviewed each year for changes in the market.
 - Model Calibration – Model calibration is the process of determining how much each attribute in your model effects value. This is done annually.



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
 - Go through every step for one property, arrive at value, move to next property.
 - Go through one step for all of the properties, move to next step, arrive at all values at end of steps.
 - Potentially more uniformity from a mass appraisal process



Mass Appraisal

- Mass appraisal can be carried out through a database, spreadsheets or a Computer Assisted Mass Appraisal (CAMA) system
- Currently most of our residential properties are valued within the CAMA system.
- Commercial properties have been a mix of spreadsheets and CAMA functionality. Our goal is to get the commercial valuation process migrated fully into the CAMA system with the upcoming CAMA conversion.



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



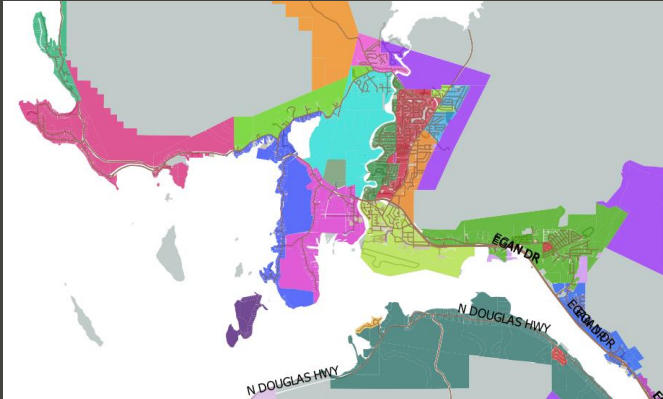
Property Characteristics

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



Property Characteristics

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



Property Characteristics

Now that we have looked at the types of characteristics that effect value, let's look at how they get applied within a model or system.



Property Valuation Process

In General, there are three processes utilized in establishing a property's value

- **Generation within the CAMA**
 - Primarily utilizing a table structure, percentage adjustments (factors) and dollar adjustments. This is the preferred method for most properties.
- **Mass appraisal outside of the CAMA such as with a spreadsheet**
 - Sometimes, due to CAMA system limitations or other factors, generation of values outside of the CAMA system becomes necessary or preferred.
 - Usually either hand entered or entered through a query into the CAMA after being generated in the spreadsheet.
- **Unique, individually valued, properties**
 - Usually generated utilizing a spreadsheet and then hand entered into the CAMA.



Property Valuation Process

Let's look at how application of these principles looks within our CAMA system.



Property Valuation Process

CAMA Land Screen

(1) Assessor's Office.Land Appraisal Information Land Id. 185327

Land Adjustments

Site Number: [Dropdown] Lot Size: 28361 Exclude Unit Type: Square Feet

Land Use Code (Land Type): [Dropdown] Depth: [Input] Exclude

Salvwater: [Dropdown] Frontage: [Input] Exclude

Rate Schedule: [Dropdown] Site Value: [Input] Neighborhood: [Input] Value: \$10,649

Adjustments: Land: [Input] Value: \$185,935

Notes: LOC VIEW WTRFRNT

Possessory Interest: Beginning Lease Year: [Input] Lease Term: [Input]

Total Units: 28361 Unit Type: Lot
 Unit Price: 5.96 Total: \$169,032
 Unit Price AG: [Input] Total AG: [Input]

Land Value: Override Final Adjustment: [Input]
 Total AG Value: [Input] Total Land: \$365,600

Editing Existing Record (1/1)

New Save Delete Browse Exit



Property Valuation Process

CAMA Land Features

(1) Assessor's Office.Land Appraisal Information Land Id. 185327

Land Adjustments

Adjustment Type	Adjustment Code	Value	Override
1 Location Adjustment	1 - Prime (140%)	140	<input type="checkbox"/>
2 Size Adjustment			<input type="checkbox"/>
3 Topography/Slope			<input type="checkbox"/>
4 Access			<input type="checkbox"/>
5 Wet Adjustment			<input type="checkbox"/>
6 View Adjustment	2 - Very Good (125%)	125	<input type="checkbox"/>
7 Waterfront	1 - Large (120%)	120	<input type="checkbox"/>
8 Shore			<input type="checkbox"/>
9 Services			<input type="checkbox"/>
10 Possessory Interest			<input type="checkbox"/>
11 Vacant Adjustment			<input type="checkbox"/>
12 Flood Zone Adjustment			<input type="checkbox"/>

Editing Existing Record (1/1)

New Save Delete Browse Exit



Property Valuation Process

CAMA Building Components

1) Assessor's Office Building Structural Elements & Features Bldg Id. 5446.0 - 1010 OTTER RUN

Inventory	Values	R-Bldg Data	Gar./Heat	R-Porches	C-Bldg Data	CE Comp.
Site No.	Building Use Code	Model Code	Sub Model Code			
1998	Residential	R- Single-family Residence	002 (Two Story)			
Year Built	Eff. Year Built	Total Rooms	Bedrooms	Full Baths	Hall Baths	GLA_SF
1998	2013	12	4	5	2	9142
		BSMT SF	Basement Finish SF			
		1484	1484			
Structural Element Name	Code	%	Value			
1010 R-Quality	5					
1012 R-Quality Adjustment						
1015 R-Structure	Stud Frame					
1040 R-Base Rate (Ext Wall)	Frame, Cement Fiber Siding	100	93.5			
1041 R-Base Rate (Ext Wall)						
1042 R-Base Rate (Ext Wall)						
1043 R-Base Rate (Ext Wall)						
1060 R-Roof Rate	Composition Shingle	100	1.8			
1061 R-Roof Rate						
1070 R-Heating/Cooling Rate	Evaporative Cooler with Ducts	100	3.17			
1071 R-Heating/Cooling Rate	Floor Radiant, Hot Water	100	3.11			
1072 R-Heating/Cooling Rate						
1073 R-Heating/Cooling Rate						
1080 R-Number of Plumbing Fixt	30		91500			
1100 R-Basement Base Rate	Total Basement Area (SF)		26			

1110 R-Basement Finish Rate	Minimal Finish Area (SF)	12.35
1115 R-% of Selected Bsmt Fin	100	
1130 R-Basement Garage Cost		
1140 R-Garage Base Rate(Att)	Attached Garage (SF)	37.5
1141 R-Garage Base Rate(Det)		
1142 R-Garage Base Rate(BI)		
1145 R-Garage Finish Rate(Att)	Garage Finish, Attached (SF)	6.39
1146 R-Garage Finish Rate(Det)		
1147 R-Garage Finish Rate(BI)		
1170 R-Carport Base Rate		
1180 R-Wood Deck (P/P1)	Wood Deck (SF)	18.4
1181 R-Wood Deck w/Roof (P/P2)	Wood Deck (SF) with Roof	39
1182 R-Encl. Porch SW (P/P3)		
1183 R-Open Slab Porch (P/P4)		
1184 R-Slab Porch w/Roof P/P5		
1230 R-Current Cost Multiplier		1.25
1240 R-County Cost Multiplier		1.21
1245 Nbhd./Market Multiplier		
1260 R-Depreciation		6
1262 R-Functional Obsolescence		
1264 R-Economic Obsolescence		
1270 R-Condition	4	0.9
9010 % Completed Construction	100%	100



Property Valuation Process

CAMA Cost Report



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Cost Report - Residential

Parcel Code Number	Record	Building Type	R. Single-family Residence
4B201010090	1	Quality	5
Owner Name	SCHULTZ CHARLES J		
Parcel Address	1010 OTTER RUN		
Effective Year Built	2013	Construction	Stud Frame
Year Built	1998	Style	Two-Story

Improvement Property Valuation Process	Quantity	Unit Cost	Percent	+/-	Total
Base					
Exterior	Frame, Cement Fiber Siding	93.50	100%		
Roof	Composition Shingle	1.80	100%		
Heating	Evaporative Cooler with Ducts	3.17	100%		
Heating	Floor Radiant, Hot Water	3.11	100%		
Adjusted Base Cost		9,142	101.58		928,644
Basement Area					
Basement	Total Basement Area (SF)	1,483	26.00		38,558
Basement	Minimal Finish Area (SF)	1,483	12.35		18,315
Total					56,873
Clterior Improvements					
Other Garage	Attached Garage (SF)	1,754	37.50		66,775
Other Garage	Garage Finish, Attached (SF)	1,754	6.39		11,268
Porch	Wood Deck (SF)	1,081	18.40		19,822
Porch	Wood Deck (SF) with Roof	277	39.00		10,863
Total					107,308
Optional Features					
Feature	Fixture	30			91,500
Total					51,500
Sub Total					1,184,326
Condition	Good				
Level Multiplier		1.21	[0]		1,433,034
Current Multiplier		1.25	[0]		1,791,203
Quality Adjustment					1,791,203
Neighborhood Multiplier					1,791,203
Depreciation - Physical		0.90	[1]	6.00	96,700
Depreciation - Functional					0
Depreciation - Economic					0
Percent Complete		100.00	[0]		1,894,563
Cost to Cure					194,875
Neighborhood Adjustment		111.50	[0]		1,889,438
Replacement Cost less Depreciation					1,889,438
Miscellaneous Improvements					
Sold Fuel Heater					2,000
Sold Fuel Heater					2,000
Extra Kitchen					10,700
Elevator					35,000
HDI					2,000
Total Miscellaneous Improvements					51,700
Total Improvement Value				[Rounded]	\$1,941,100

Property Valuation Process

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Page 1

Cost Report - Residential

5023	Record	1	
Parcel Code Number	4B2001030090	Building Type	R- Single-family Residence
Owner Name	SCHULTZ CHARLES J	Quality	S
Parcel Address	1010 OTTER RUN	Construction	Stud Frame
Effective Year Built	2013	Total Livable	9142
Year Built	1998	Style	Two Story

Miscellaneous Improvements		
Solid Fuel Heater	[+]	2,000
Solid Fuel Heater	[+]	2,000
Extra Kitchen	[+]	10,700
Elevator	[+]	35,000
HCV	[+]	2,000
Total Miscellaneous Improvements		51,700
Total Improvement Value	[Rounded]	\$1,941,100

Improvem	Property Valuation Process	Quantity	Unit Cost	Percent	+/-	Total
Base						
Exterior	Frame, Cement Fiber Siding		93.50	100%		
Roof	Composition Shingle		1.80	100%		
Heating	Evaporative Cooler with Ducts		3.17	100%		
Heating	Floor Radiant, Hot Water		3.11	100%		
Adjusted Base Cost		9,142	101.58			928,844
Basement Area						
Basement	Total Basement Area (SF)	1,483	26.00			38,558
Basement	Minimal Finish Area (SF)	1,483	12.35			18,315
Total						56,873
Exterior Improvement(s)						
Other Garage	Attached Garage (SF)	1,754	37.50			65,775
Other Garage	Garage Finish, Attached (SF)	1,754	6.39			11,208
Porch	Wood Deck (SF)	1,061	16.40			19,522
Porch	Wood Deck (SF) with Roof	277	39.00			10,903
Total						107,308
Additional Feature(s)						
Feature	Fixture	30				91,500
Total						91,500
Sub Total						1,184,326
Condition	Good					
Local Multiplier				1.21	[X]	1,433,034
Current Multiplier				1.25	[X]	1,791,293
Quality Adjustment					[X]	1,791,293
Neighborhood Multiplier					[X]	1,791,293
Depreciation - Physical		0.90	[X]	6.00	[E]	96,730
Depreciation - Functional					[E]	0
Depreciation - Economic					[E]	0
Percent Complete				100.00	[E]	1,694,563
Cost to Cure						
Neighborhood Adjustment				111.50	[X]	194,875
Replacement Cost less Depreciation						1,889,438



Analysis

- The basis or foundation for model specification and model calibration, for our values reflecting the market is the analysis.



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 November 2020 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.
 - With the addition of the penalty we are now seeing an increase in the percentage of disclosed sales prices which will be utilized in next year's analysis.
- Regardless of the challenges and what data we do or don't have assessed values have to be set every year.



Market Factors

- There are other market factors that can effect values. We try to track and consider these factors. A few examples would be:
 - Economic conditions
 - Changes in financing
 - Listing Inventory
 - Average Days on Market
 - Rental rate changes
 - Cap rate changes due to changes in investor expectations
 - Others



The Juneau Market

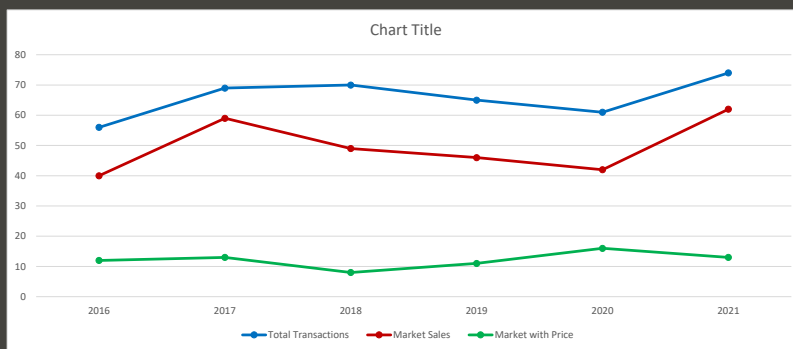
- Sales volume – increased in 2021 for commercial properties and remained strong for residential properties
- Sales prices – we specifically studied the market activity for 2021, leading up to the January 1, 2022 valuation date
 - Residential prices continued to increase
 - Commercial prices also continued to increase
- 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 Juneau Market

- This chart shows the number of commercial property sales per year. You can see that the sales volume increased in 2021 in spite of the pandemic. Also note that in spite of the mandatory disclosure we saw fewer disclosed commercial sales both in number and percentage.

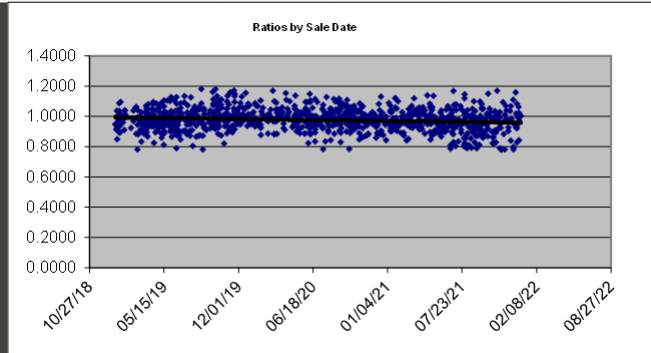
Year	2016	2017	2018	2019	2020	2021
Total Transactions	56	69	70	65	61	74
Market Sales	40	59	49	46	42	62
Market with Price	12	13	8	11	16	13



Residential Ratio Study 2022

Assessed Values as % of Sales Prices

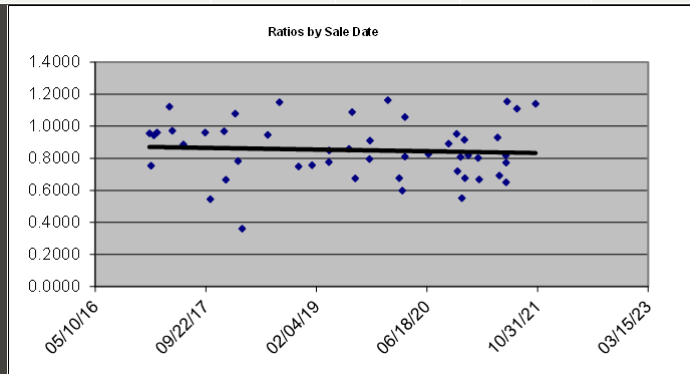
Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2022 adjustments	73.60%	95.70%	95.65%	119.30%	7.013%
After 2022 adjustments	77.92%	97.52%	97.48%	118.07%	5.817%



Commercial Ratio Study 2022

Assessed Values as % of Sales Prices

Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2022 adjustments	35.94%	81.87%	80.57%	117.78%	19.97%
After 2022 adjustments	35.94%	85.07%	82.65%	116.16%	17.45%



Correcting Commercial Assessments

- Prior to 2022 adjustments
 - Commercial property was assessed at a median of 80.57% of sales price (81.87% mean)
- Commercial adjustments made in 2021
 - 2% increase to land value
 - 2% increase to building value
 - 2% decrease to downtown values
 - 35% increase to Rock Dump area land values
- Result: Commercial assessment ratio moved from 80.57% to 82.65%. This is down from 88.53% in 2021.
 - CBJ Assessor target for median assessment ratio is 98%
 - Commercial properties in Juneau remain under-assessed by ~20% overall
 - CBJ Assessor will continue refining the commercial property values to reflect the market.



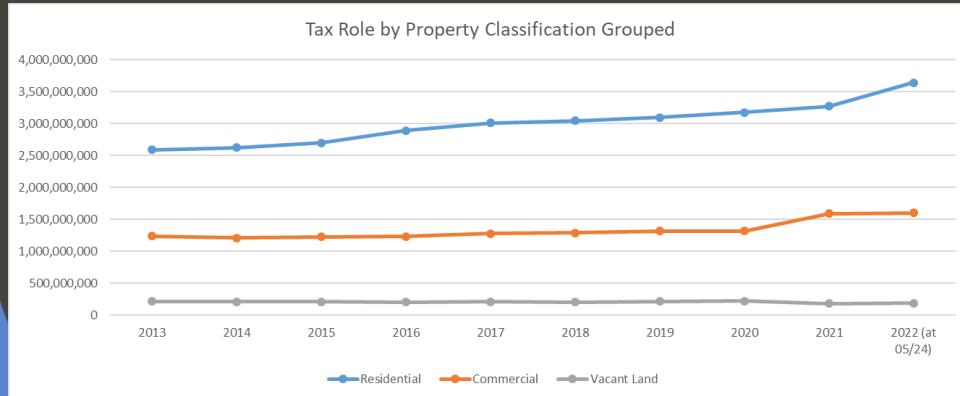
Values for Assessment Year 2022

- What the statistics indicate is that we did not keep up with the commercial market this year and fell further behind.
- What we were able to do is tighten up the uniformity of commercial values. The ending COD for 2021 for all commercial types combined was 21.55. The beginning COD for 2022 was 19.9792 and the ending COD was 17.4590.



Values for Assessment Year 2022

- This chart shows the change in total assessed values by classification over the past 8 years.



Values for Assessment Year 2022

- We continued our focus on cleaning up the commercial property sales data.
- We had 49 market sales from the past 5 years for which we had sales prices to utilize in our analysis.



Values for Assessment Year 2022

Starting Point

AY2022- Com - Starting Point V3- at 20220223b- All No 19s 532 Trend
 Summary Report Before Calibration

Statistics

50	Count (Number of Records with Ratio)
0.3594	Minimum Ratio
1.1779	Maximum Ratio
0.8185	Range

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

0.8187	Mean (This is the average ratio for your sample.)
0.8057	Median (This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6837	Weighted Mean
1.9165	Sum of the Square of Deviations
0.1610	AAD
0.1978	Standard Deviation

Coefficients (0=Normal Distribution)

Kurtosis	-0.3459
Skewness	-0.1410
Alt. Cyhelsky's Skew	0.0400
Alt. Pearson's Skew	0.1964

19.9792	COD (Good indicator of confidence level.)
24.1573	COV
1.1973	PRD- Price-Related or Factor Differential (PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

Trending Factors

1.00	Target Level
1.2215	Factor on Mean
1.2411	Factor on Median
1.4625	Factor on Weighted Mean

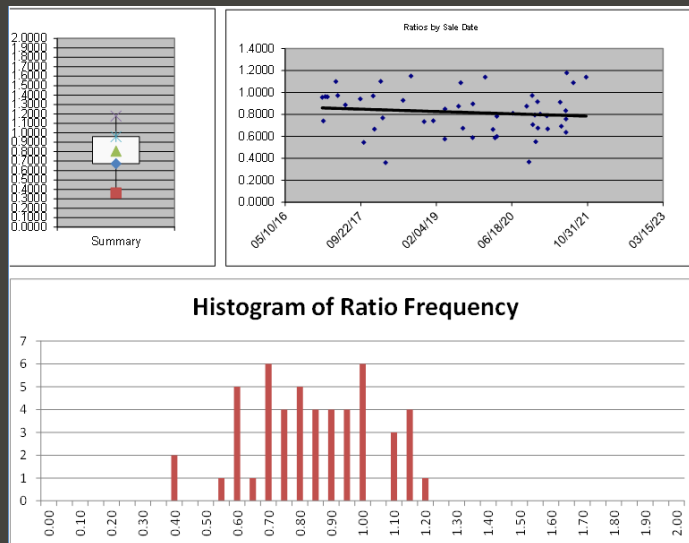
Normal / Skewed Distribution Evaluation

-0.0129	Differential Mean to Median
26	Number of data points below the mean.
24	Number of data points above the mean.
*Note- # below/above works on data sets up to 5,000 pts.	



Values for Assessment Year 2022

Starting Point



Values for Assessment Year 2022

Ending Point

AY2022- Com- After Adj- V4- 20220307a- All No 19s Trended Summary Report

Statistics

49	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1616	Maximum Ratio	
0.8022	Range	

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

0.8507	Mean	(This is the average ratio for your sample.)
0.8265	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.8398	Weighted Mean	
1.5487	Sum of the Square of Deviations	
0.1443	AAD	
0.1796	Standard Deviation	

Coefficients (0=Normal Distribution)

17.4590	COD	(Good indicator of confidence level.)	Kurtosis	#DIV/0!
21.1151	COV		Skewness	#DIV/0!
1.0130	PRD- Price-Related or Factor Differential	(PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)	Alt. Cyhelsky's Skew	0.0612
			Alt. Pearson's Skew	0.4033

Trending Factors

1.00	Target Level
1.1755	Factor on Mean
1.2099	Factor on Median
1.1908	Factor on Weighted Mean

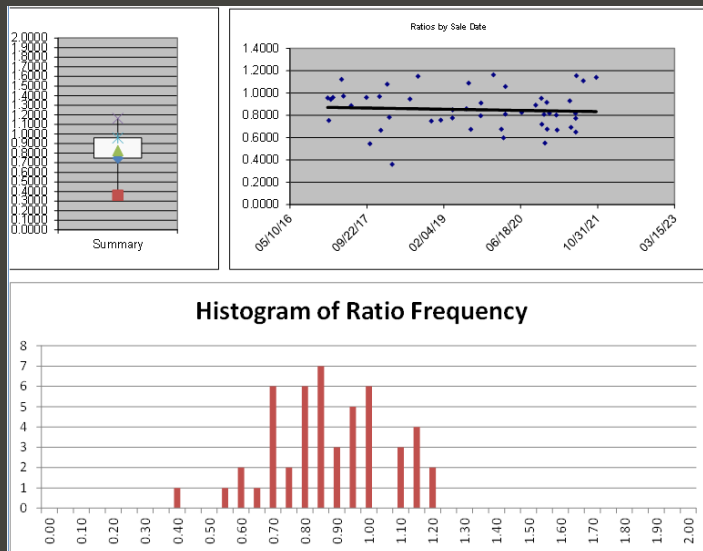
Normal / Skewed Distribution Evaluation

-0.0241 Differential Mean to Median
 26 Number of data points below the mean.
 23 Number of data points above the mean.
 *Note- # below/above works on data sets up to 5,000 pts.



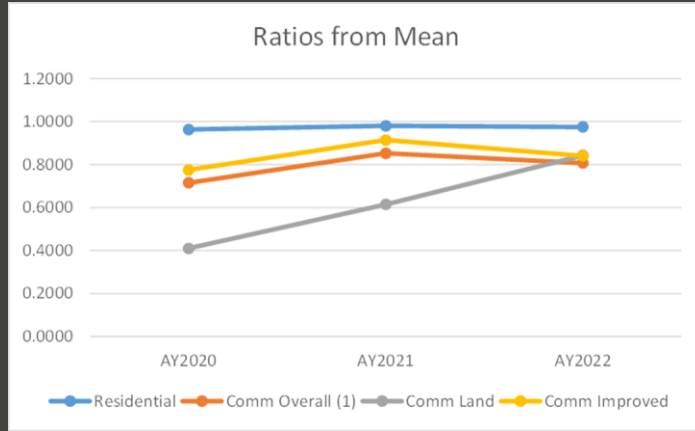
Values for Assessment Year 2022

Ending Point



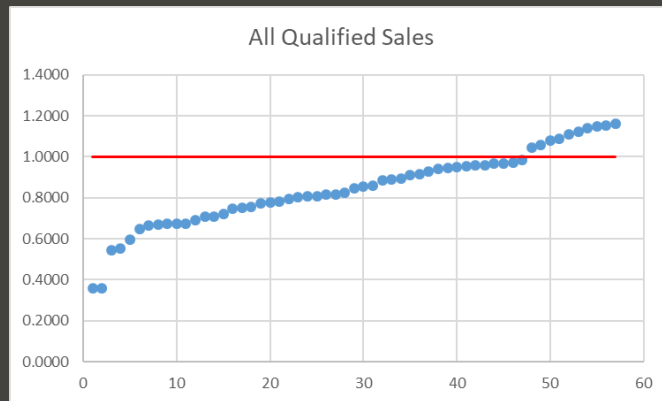
Values for Assessment Year 2022

- This chart shows the ending ratios for Assessment Years 2020 - 2022.



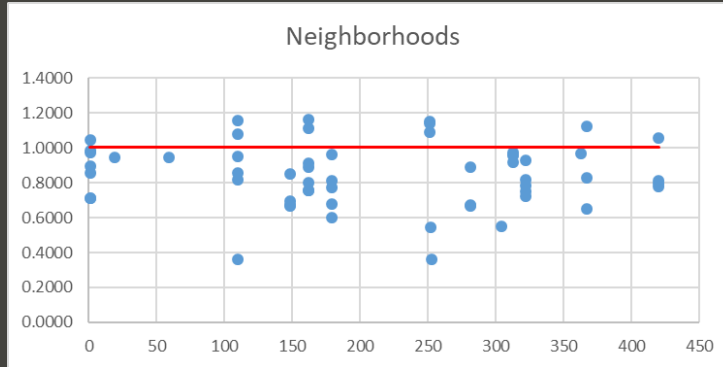
Values for Assessment Year 2022

- This chart shows the ratios for the commercial market sales.



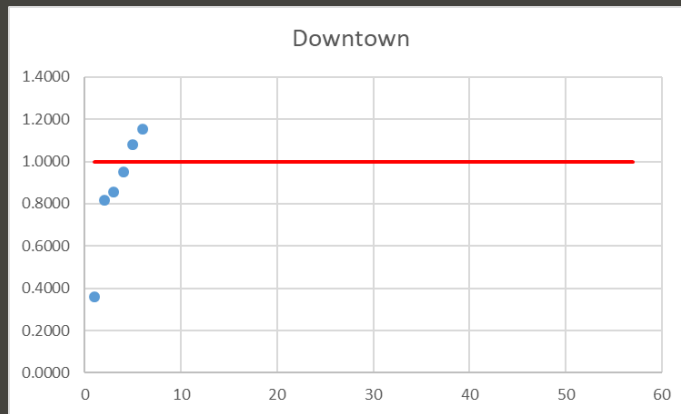
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales organized by neighborhood.



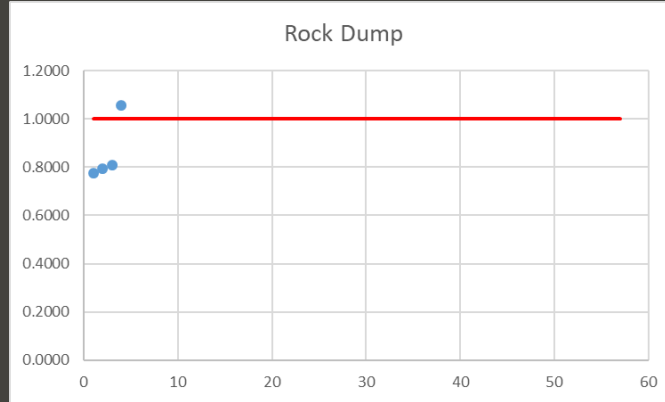
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the downtown neighborhoods.



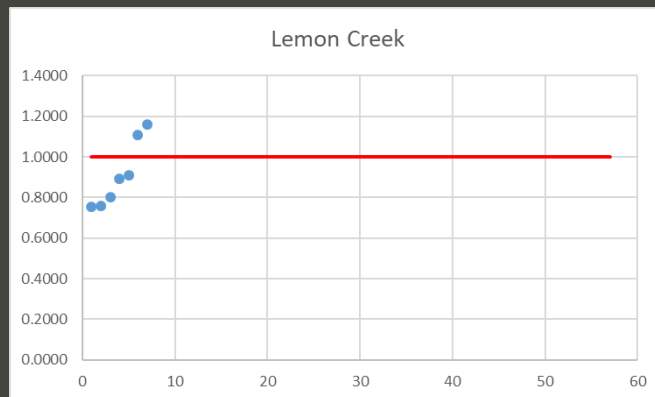
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Rock Dump neighborhood.



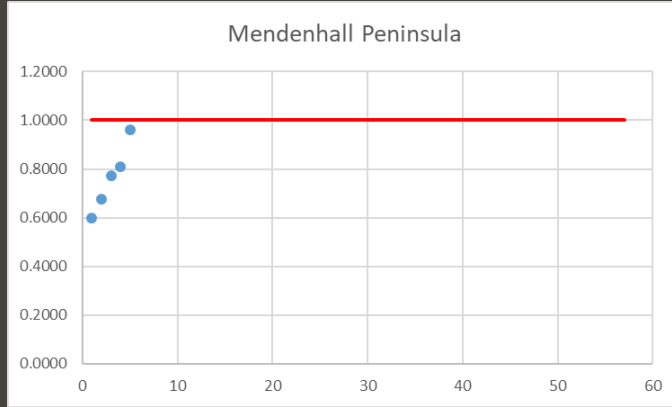
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Lemon Creek neighborhood.



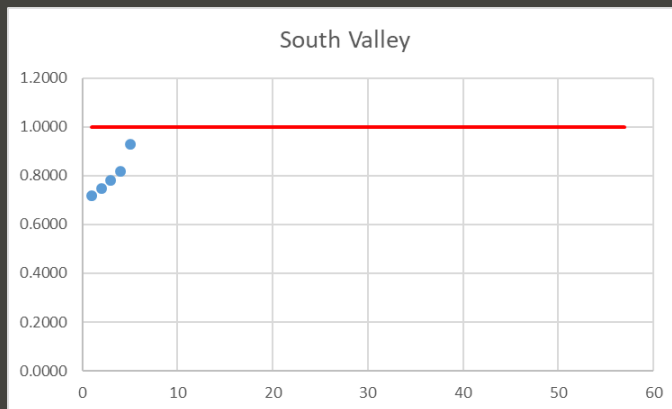
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Mendenhall Peninsula neighborhood.



Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Mendenhall Peninsula neighborhood.



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.
 - The aspect of uniformity of assessed values is paramount as they are used to calculate an individuals tax burden.



External Appraisals

- 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%.

An Illustration of Differences in Appraiser Opinion of Value

Parcel Number: 5B1601380035

<u>Appraiser</u>	<u>Eff Date</u>	<u>Opinion of Value</u>
Roger Ramsey	1/9/2020	1,450,000
Charles Horan	5/1/2020	1,050,000
Kim Wold	6/5/2020	1,330,000
Range Between Low & High		400,000
Variance as a Percentage		38%
Mean		1,276,667
Median		1,330,000



Covid-19

Assessed Values In The Midst Of A Pandemic

- We recognize and are sympathetic to the fact that the past years have been difficult for some businesses in Juneau. Some businesses have seen drastic reductions in revenue. At the same time, other businesses have had good years.
- 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.



Upcoming Appeal Hearings

- In our review we readily correct any errors
- Only a portion of the Petitions for Review become actual appeals before the BOE
- As you here appeals remember that uniformity is paramount



Property Assessments – BOE Presentation

Overview of 2022 Assessment Valuations Summary Report



Property Assessments – BOE Presentation

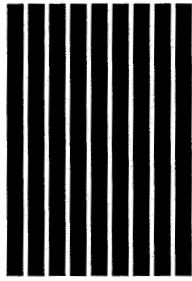
Questions and Answers!



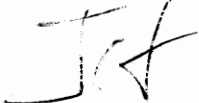
Property Assessments – BOE Presentation

Thank you!





M *CBJ Law Department*
MEMORANDUM

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

15.05.180 - Notice of hearing of appeal.

The assessor shall notify each appellant by mail of the date, time, and place of the hearing of the appeal by the board of equalization. Such notice shall be addressed to the appellant at the appellant's last known address as shown on the assessor's records, and shall be complete upon mailing. Such notices shall be mailed not later than ten days prior to the date of hearing of the appeals. All such notices shall include the following information:

- (a) The date and time of day of the hearing;
- (b) The location of the hearing room;
- (c) Notification that the appellant bears the burden of proof;
- (d) Notification that 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 timely filed or proven at the appeal hearing; and
- (e) Notification that the appellant may be present at the hearing, and that if the appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.

(CBJ Code 1970, § 15.05.180; Serial No. 70-33, § 3, 1971; Serial No. 87-36, § 2, 1987)

State law reference— Appeal, AS 29.45.190; appellant fails to appear, AS 29.45.210(a); grounds for adjustment, AS 29.45.210(b).

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)

15.05.190 - Hearing of appeal.

- (a) At the hearing of the appeal, the board of equalization shall hear the appellant, the assessor, other parties to the appeal, and witnesses, and consider the testimony and evidence, and shall determine the matters in question on the merits.
- (b) If a party to whom notice was mailed as provided in this title fails to appear, the board of equalization may proceed with the hearing in the party's absence.
- (c) The burden of proof in all cases is upon the party appealing.
- (d) The board of equalization shall maintain a record of appeals brought before it, enter its decisions therein and certify to them. The minutes of the board of equalization shall be the record of appeals unless the board of equalization shall provide for a separate record.

(CBJ Code 1970, § 15.05.190; Serial No. 70-33, § 3, 1971)

State law reference— Hearing, AS 29.45.210.

15.05.200 - Judicial review.

A person aggrieved by an order of the board of equalization may appeal to the superior court for review de novo after exhausting administrative remedy under this title.

(CBJ Code 1970, § 15.05.200; Serial No. 70-33, § 3, 1971)

State law reference— Appeal to superior court, AS 29.45.210(d).

C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 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.

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation 🔑 2648.

Westlaw Key Number Search: 371k2648.

NOTES OF DECISIONS

Decisions reviewable and right of review 1

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C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 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.

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ↪ 2624.

Westlaw Key Number Search: 371k2624.

NOTES OF DECISIONS

Appeals from board determination 5

Judicial notice 4

Judicial powers 3

Payment under protest 1

Penalties for nonpayment of tax 2

1. Payment under protest

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C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 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.

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ☞ 2676, 2691.

Westlaw Key Number Searches: 371k2676; 371k2691.

NOTES OF DECISIONS

Burden of proof 1
Judicial review 3
Record of hearing 2

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BOARD OF EQUALIZATION ORIENTATION

NOTE: Members are encourage to review, from your training material, the 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.**

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