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## **Residential Property Assessment Appeals**

**How to Appeal the Assessed Value of Residential Properties – a Guide for The City and Borough of Yakutat Property Owners**



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## Introduction

The property taxes you pay are based on your property's assessed value, as determined by the city Assessor. If you disagree with the Assessor's value, you can appeal that value.

This publication describes what you should do before you appeal, the role of your local Board of Equalization, and the steps required to file and present a residential assessment appeal. If you have questions that are not answered here, you should contact your Assessor or city's/borough clerk.

The information in this publication has been prepared by the Appraisal Company of Alaska which oversees the administration of The City and Borough of Yakutat property tax system.

## Notable Changes in 2021 Property Tax Assessments

Notable Changes in Property Values: Overall adjustments to residential property values were minor this year. Most of the adjustments were made to land in Forest Highway Subdivision and Rainy Ave with the majority of property value changing less than 15 percent. Several land values were adjusted along Orca Ave and Tongass St to be consistent with the immediate vicinity. We strive to adjust our model each year to ensure every segment of property is valued as uniformly as possible.

## COVID – 19 Update

There is still a lot of demand for housing in remote Alaska and there are a few factors behind it. The price of the house is tied to the supply and demand for housing - if there are fewer houses available, prospective buyers bid up the price in order to attain housing; if fewer people are looking for a home, the price will drop because buyers have fewer competitors. As of now there are no indications of decline in property values in Yakutat due to COVID-19. If there are any changes in the future due to COVID-19 or any other reasons we will adjust values accordingly.

## Before You File an Appeal

### Consult with Your City Assessor First

You may not need to file a formal appeal if you talk with staff from your city Assessor's office first.

They can

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

If the Assessor discovers an error, they may be able to reduce your property's assessed value to correct that error. However, you should always submit a written appeal – complete an Assessment Appeal Application, which is available on the city website. Your application must be submitted on a timely basis.

## **The Role of Board of Equalization (BOE)**

Local Board of Equalization consist of city council or board assembly members. The purpose of BOE is to settle disputes between the city Assessor and property owners.

Board of Equalization, with proper evidence, can

- Lower, raise, or confirm a property's assessed value

Board of Equalization cannot

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

## **Other Considerations Before You File**

### *Who can file an appeal?*

The applicant of an assessment appeal is the property owner or any person having a direct economic interest in the payment of the property taxes, usually any person directly responsible for the payment of the property taxes. However, the applicant's spouse, parents, children, or domestic partner may represent the applicant by signing the application and appearing at the hearing for the applicant. An application may also be filed and signed by an authorized agent, in which case a written authorization allowing the agent to represent the applicant must be signed by the applicant and filed with the clerk of the board.

### *What form should I use?*

To be valid, all appeals should be filed on the official *Assessment Appeal Application* form. The *Assessment Appeal Application* can be obtained by contacting the city or borough clerk. Additionally, *Assessment Appeal Application* form can be found and is available for download online.

### *What if I reach an agreement with the Assessor prior to the Board of Equalization hearing?*

If you and the Assessor reach an agreement regarding the value of your property after filing an application but prior to the hearing, the agreement should be in writing and signed by all parties, including the applicant (or applicant's relative or authorized agent) and the Assessor.

### *Can I withdraw my application?*

You are permitted to withdraw your application at any time prior to the hearing. However, if the Assessor has indicated that evidence supporting a higher value will be introduced at the hearing, you may not withdraw your application without the Assessor's concurrence.

### *Can I submit one application for more than one property?*

No. You must file a separate application for each parcel unless the parcels are contiguous and are considered one appraisal unit.

*Do I have to pay my property taxes if I disagree with my property's assessed value?*

Yes. You are required to pay your property taxes timely, despite any appeal you have pending. Failure to do so will expose you to financial penalties and interest charges regardless of the outcome of your appeal.

*If I appeal for a lowered assessment, can the appeals board raise the assessed value?*

Yes. Based on the evidence, an appeals board can increase, decrease, or not change an assessment.

*What is the difference between the market value and assessed value of my property?*

The market value of your property is generally defined as what your property would sell for under normal conditions. For residential properties, your assessor generally determines market values by comparing a property with similar properties that have sold in similar neighborhoods, considering other factors possibly affecting market value.

Assessments typically are maintained at a uniform percentage between 90 percent – 110 percent, if your assessment is 95 percent of market value and for instance, if the market value of your home is \$100,000 - your assessment should be \$95,000.

*Won't my taxes increase if my assessment is adjusted?*

First, as noted above, your assessor does not increase your taxes. Assessors are trained to be appraisal professionals; it is their job to make sure that the assessments are accurate and equitable, which provides the basis for fair distribution of taxes among the property owners within the assessing unit. Keeping assessments up-to-date each year is necessary for fair tax distribution.

Next, keeping values up-to-date each year does not necessarily mean that your assessment will increase. Market values of properties may stay the same or go down, which means that some properties should see a decrease in assessed values.

*How does the assessor decide which assessments to change and by how much?*

In order to maintain a uniform level of assessment, each year your assessor will need to analyze all of the properties in the city to determine which assessments need to be changed. If assessments have been kept up-to-date each year, or if the real estate market has been fairly stable, it is possible that few assessments will need to be adjusted.

Where assessments do need to be changed, in some cases, your assessor will be able to increase or decrease the assessments of a neighborhood or group of properties by applying real estate market trends to those properties.

*If my home is physically inspected, do I have to let the assessor in?*

While you are not required to let the assessor or data collector in your home, your cooperation, along with that of all other property owners in your community, helps assure that your assessment will be fair and based on complete and accurate information. Without such cooperation, data collectors are forced to estimate how many bedrooms, bathrooms, etc., there are in your home. Later, if you disagree with the assessment for your property and ask that it be lowered, assessment officials will need precisely the information you refused to provide in order to rule on your request for a lower assessment.

*How do I know that the assessor has the correct information about my property?*

Because the information about your property will be used to determine your assessment, it is in your best interest to make sure that your assessor's data is correct for your property. You can check with your city or borough clerk's office to receive a listing of the information pertaining to your property.

## Appeals and Their Filing Deadlines

To appeal the value of your property, you must file an *Assessment Appeal Application* form.

Applications can be accepted only within certain time period; late applications will not be accepted, unless BOE accepts it.

### *Obtain the Correct Application*

To be valid, all appeals must be filed on the official written form. To obtain a copy, you should contact the clerk of the city or borough. Additionally, form might be available for download from the city or borough website.

### *Instructions*

To be valid, your application must contain all the following information.

1. Applicant's Information
  - a. Property owner's name, mailing address, telephone number
2. Property Identification
  - a. Enter the applicable property identification information from your assessment notice
3. Value
  - a. You must enter the value for both the Assessor's value on the roll and your opinion of value
4. **Some of the Reasons for Filing Appeal**
  - a. ***Decline in Value*** - the market value of your property has decreased and is no longer as high as its assessed value. **Reminder: Your appeal must be based on your property's market value as of January 1 of the year in which you are filing and is effective only for the one year being appealed**
  - b. **The market value of your property based upon a *change in ownership* is less than the Assessor's value**
  - c. ***New Construction*** - The market value of your property based upon completion of new construction is less than the Assessor's value, or the value of any construction in progress as of January 1 is incorrect.
  - d. ***Calamity Reassessment*** - the reduced value from the Assessor's reassessment of your property damaged by a misfortune or calamity is incorrect.
  - e. ***Change in Inventory*** - Incorrect value(s) on escaped property (property not originally assessed or those that were underassessed)
  - f. ***Other.***
  - g. ***Reasons such as – "Value is too high", "Nothing has been improved", "I just disagree", etc. are not reliable and everything needs to be supported by facts.***
5. Written Findings of Facts
  - a. Provide assessor with supporting facts and documents that support your reason for appealing property value.

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

## Preparing for the Board of Equalization Hearing

To be better prepared for the hearing, it is recommended to gather and assemble admissible evidence that you will bring to the hearing to support your position. The evidence will help the board to make their decision.

Keep in mind that the purpose of the hearing is to resolve the dispute between you and the Assessor. While the hearings do not use the formal rules of evidence followed by courts, any evidence you present must be appropriate and meaningful in order to be admissible.

### *Admissible Evidence*

The only evidence that an appeals board can consider is the evidence that you and the Assessor present at your assessment appeal hearing. Generally, submission of a formal appraisal or any other written material (for example, a Realtor's opinion of value or an engineering study) is allowed, provided the appeals board deems it reliable. The Assessor, or a representative knowledgeable about the Assessor's appraisal of your property, will also be present to respond to your questions or those of the board.

### *Evidence to Support Your Opinion of Your Property's Value*

There are three basic methods used by appraisers to find the value of property: comparable sales of similar property approach; replacement cost less depreciation approach; and income approach. In most residential appeals, the most reliable type of evidence to support your opinion of "fair market value" is the sale of properties similar to yours. These are called "comparable properties."

- In a residential appeal the best evidence of market value is sale price, the sale price of the subject property, and of similar properties.
- Commercial properties may require rent rolls, leases, and income and expense information.

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

## Attending the Board of Equalization Hearing

You, as the applicant, should personally attend the hearing or be represented by someone thoroughly familiar with the facts of your appeal. Failure of you or your agent to appear may result in the denial of your application.

## Reaching a Decision

The Board of Equalization will base its decision on the evidence presented by you and the Assessor at the hearing. The board will evaluate the suitability of any approach to value and the data you and the Assessor used to reach your conclusions.

## **Notice of Decision**

The Board of Equalization will announce its decision at your hearing or within seven days.