
Residential Property Assessment Appeals

How to Appeal the Assessed Value of Residential Properties – a Guide for The City of Unalaska Property Owners



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Introduction

Properties are appraised so that the costs of schools, safety, fire protection and other public benefits are borne in proportion to the amount of money our individual properties are worth. The property taxes you pay are based on your property's assessed value, as determined by the city Assessor. If you disagree with the Assessor's value, you can appeal that value. Properties are assessed based on constant research for significant facts (sales) to accumulate and analyze in order to estimate the full and true (fair market) value of your property. Finding the full and true market value involves estimating the price most people would pay for it in its present condition. The assessor does not create the value – people create value through their transactions in the marketplace. State law requires your property to be assessed at its full and true value each and every year. The assessor has the legal responsibility to study those transactions and appraise your property accordingly. Values change in the marketplace, whether improvements are made to property or not. Each year assessments are done all over again because the market value changes from one year to the next.

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 clerk.

The information in this publication has been prepared by the Appraisal Company of Alaska which oversees the administration of The City of Unalaska property tax system. The assessor's office does not control the total amount of taxes collected. The assessor's primary responsibility is to find the full and true value (fair market value) of your property, so that you may pay only your fair share of the tax burden. A tax rate applied to your property's assessed value determines the amount of tax you pay. The tax rate is determined by the City Council or Borough Assembly.

Notable Changes in 2022 Property Tax Assessments

Residential Properties: This year property owners may see some changes in the valuation of their property – land and/or improvements. As part of our assessment process, we conduct annual reviews of recent property sales; and compare these to the specific property/ies they relate to. The reason behind the value changes for the Tax Assessment Year 2022 is our sales ratio study for Tax Assessment Year 2021 indicated the values were slightly below the market value and the state law require to assess property between 90% - 110% of the market value. With this in mind, slight increase/adjustments were made to current values. Overall adjustments to residential property values were between 2% - 12% or with some exceptions a little higher depending on properties age/condition, size and location.

Land value adjustments: Based on our sales ratio study most of the adjustments were made to commercial land at Captains Bay Road and Ballyhoo Road.

Commercial/Industrial Properties: This year commercial / industrial properties will see some value changes based on the revaluation of the inventory – for example fuel tanks, docks, etc.

We strive to adjust our model each year to ensure every segment of property is valued as uniformly as possible.

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.

The Assessor 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