

# CITY AND BOROUGH OF SITKA

## ASSESSING DEPARTMENT

### Annual Assessment Process

The main function of the Assessing Department is to organize and direct all necessary activities to accomplish field and office appraisals of real and personal property within the City and Borough of Sitka. The Assessing Department also notifies taxpayers of the assessed values. The department consists of the Assessor, Assessing Administrative Assistant and Appraisal Technician. The department's activities flow according to the following calendar of key dates:

- January 1 Property is assessed each year as of this date
- Feb. 15 Personal property declaration filing deadline for property owners  
All property exemptions filing deadline for property owners
- March 1 Preliminary assessment (tax) roll is finalized
- March 11 Assessment notices are sent to Real & Personal property owners  
Thirty (30) day appeal period starts
- April 10 Thirty (30) days after assessment notices are mailed, the appeal period ends
- May 4 First (1<sup>st</sup>) Monday of May the Board of Equalization hears appeals
- May 15 Board of Equalization adjourns
- May 26 Final assessment (tax) roll is certified
- June Annual State Report filed with the State Assessor
- July 1 Tax bills are mailed by the *Finance Department*
- Sept. 1 Un-paid taxes become delinquent; prior year real estate tax foreclosure begins
- Dec. 1 Personal and Business property declarations are mailed for update and re-submission by property owner

# Frequently Asked Questions

## What exemption programs are available?

- Senior Citizens 65 years of age or older who own and occupy their home, can receive up to \$150,000 exemption on the residence.
- Disabled Veterans with a 50% or more service connected disability.
- A non-profit exemption on property used exclusively for religious, charitable, cemetery, hospital, or educational purposes.

## What is real property?

Real property means land and improvements, all possessory rights and privileges appurtenant to the property, and including personal property affixed to the land or improvements (AS 29.71.800).

## Who determines the property value?

The Borough Assessor

## How is property valued?

State law requires Assessors to value all taxable property at 100% of its true and fair market value in dollars, according to the highest and best use of the property. (AS 29.45.110) Market Value means the amount of money that a willing buyer, not obligated to buy would pay a willing seller, not obligated to sell, taking into consideration all uses to which the property is adapted and might be applied.

## How does the Assessor estimate market value?

The Assessor uses the market-adjusted cost approach which is based on the idea that the value of an existing property is the value of the land plus the replacement cost of the improvements minus depreciation. Depreciation is not the number of years the improvements have been used; it is the loss in value due to physical deterioration, functional and/or economic obsolescence.

## What is an appraisal?

An appraisal is an estimate or opinion of value made by a Fee Appraiser. It is the appraisers judgment as to full market value as of a specific date, (the dollar amount the property would sell for is there is a willing buyer and a willing seller), and is based on the best data available to the appraiser at the time of the appraisal. Assessors make opinions of value known as assessments.

## **What is an assessment and how does it differ from an appraisal?**

The terms assessment and assessed value are often used to describe the same thing. The assessed value is based on the market value of the property. In Alaska, state law requires that property be assessed, (valued for tax purposes), at full and true value (AS 29.45.110).

Therefore, the appraised value and the assessed value should be of similar amount. However, it should be pointed out that since the Assessing Department is appraising a very large number of properties, the assessment should be reviewed carefully by the property owner to assure value estimates are reasonable.

## **What is an assessment notice and when can you expect to receive one?**

A real property assessment notice is a statement of value assessed to a particular parcel. When you receive a City and Borough of Sitka Assessment Notice you will note that the upper portion of the notice states the current year valuation of land and improvements. Assessment notices are mailed in March of each year.

## **What if you didn't receive an assessment notice?**

Call the Borough Assessing Department immediately.

## **What should I do if I find an error or omission in my assessment?**

You should contact the Assessing Department and report the error. It is the property owners' responsibility to notify the Assessor of any errors or omissions. Unfinished improvements under construction are taxable as is.

## **What if you receive your assessment notice and think you assessed value is wrong?**

Call the Assessing Department IMMEDIATELY. There may have been an error on your notice or the Assessor may not have been aware of a loss or an addition to your property. Changes or adjustments can be made, for a limited time only, if you have documentation to prove that a correction should be made in the value of your property.

State law allows thirty (30) days from the mailing of the notice to file an appeal with the Assessor.

## **What if you and the Assessor cannot agree on the valuation?**

Then you may appeal to the Board of Equalization. Appeal forms are available at the Borough Assessing Department.

## **What is the board of equalization?**

The Board of Equalization is made up of the Mayor and the Assembly. It is the duty of the Board to hear appeals, determine equalization and adjust assessments when applicable.

## **What is your responsibility when appealing to the Board of Equalization?**

If you choose to appeal you will bear the burden of proof, meaning it will be up to you to provide proof that the value set by the Assessor is erroneous. By law, the Board must support the Assessor's valuation, unless otherwise proven by you. To appeal your valuation you will need to; **1)** obtain an appeal form from the Borough Assessor, **2)** complete the form and attach all documents to substantiate the claim, **3)** return to the Assessor no later than 30 days from the mailing date of your assessment notice. Failure to do so will eliminate your right to appeal. An attorney or a field expert may represent you if you wish, but is not required.

## **What if you do not agree with the Board findings?**

If you do not agree with the Board of Equalization decision you can appeal to the Superior Court. The Superior Court trial will be based on information presented to the Board of Equalization. Therefore, it is important to follow due process and, at the time of the Board of Equalization hearing, present all relevant evidence for consideration.

## **How is the value of the tax base found?**

The value of the tax base is found by adding up the assessed value of all taxable real property within the Borough boundaries.

## **How is the property tax determined?**

Real property tax is determined by multiplying the assessed value of the property by the mill rate. In other words, taxes = assessed value x mill rate.

## **What is a mill?**

A mill is a monetary unit equal to 1/1000 (one thousandth) of a U.S. dollar, or 1/10 (one-tenth) of one cent.

## **What is a mill rate?**

A mill rate is the number of mills each individual property is to be assessed, or charged, per dollar value of the property. For example, if your mill rate were 20 mills, you would pay two cents for every dollar of assessed value or \$20.00 for each \$1,000 of assessed value.

## **Who decides what the mill rate will be?**

The current mill rate has been capped at 6 mills since 1986 by the City and Borough of Sitka Charter. The mill rate can be changed through Assembly direction and a ratifying vote of the people. This type of mill rate is called a RATE-DRIVEN mill rate.

## **How is a BUDGET-DRIVEN mill rate decided?**

First, the Assembly decides how much money (revenues) will be needed to run the Borough, by proposing a balanced budget. Second, the Assembly decides how much other revenues will be received from other sources like sales taxes, grants, user fees, interest and etc. Third, the Assembly does the math: step #1 minus step #2 equals property tax revenue needed. That revenue needed is raised by levying and collecting a property tax. So, to figure the mill rate, the additional amount of money needed for the budget will be divided by the total assessed value of the tax roll.

## **When can you expect to receive a property tax bill?**

Real Property Tax Bills are prepared and mailed by the City and Borough of Sitka Finance Department on or before July 1st of each year.

## **When are the taxes due?**

Taxes are due August 31<sup>st</sup> of every year, unless the 31<sup>st</sup> falls on a weekend or holiday, then the taxes would be due the following Monday.

## **What if you refuse to pay the tax levied?**

The Borough places a lien against your property for the amount of tax owed. The lien includes any interest, penalties and administrative costs charged because of lack of payment.

## **What is a lien?**

A lien is a judgment against the property that can be collected by foreclosure and sale of the property.

## **How long is the redemption period?**

Duration of the redemption period is one year. During that time the Borough holds title to the property. The taxpayer has redemptive rights during this period and can reclaim the property by paying the original tax, all penalties, interest and costs that the Borough has incurred due to nonpayment.

## **What if the taxpayer hasn't redeemed the property by the end of the redemption period?**

At the end of the redemption period the Borough will take legal action to secure a tax deed for all properties subject to foreclosure. The Borough may hold or use the property for public use. If the Borough retains the land, the taxpayer forfeits all rights of ownership.

## **How do I add or remove an owner from a parcel?**

A document such as a Warranty Deed or a Quitclaim Deed would need to be recorded at the State of Alaska, Division of Natural Resources, District Recorder's Office, in order to change the records with our office. If you need assistance to complete a deed we are unable to give you legal advice. Please call a Title Company or an Attorney for more information.

### **I was recently married how do I change my name?**

A document such as a Warranty Deed or a Quitclaim Deed would need to be recorded at the State of Alaska, Division of Natural Resources, District Recorder's Office in order to change the records with our office. If you need assistance to complete a deed we are unable to give you legal advice. Please call a Title Company or an Attorney for more information.

### **I was recently divorced how do I change my name?**

You could supply our office with a copy of the Certificate of Name Change signed by the Judge or Clerk of Courts or a document such as a Warranty Deed or a Quitclaim Deed could be recorded at the State of Alaska, Division of Natural Resources, District Recorder's Office in order to change the records with our office. If you need assistance to complete a deed we are unable to give you legal advice. Please call a Title Company or an Attorney for more information.

### **My parent died how does it change ownership?**

A document such as a Representative's Deed is typically recorded to convey interest from the Estate of the deceased to another party. If you need assistance to complete a deed we are unable to give you legal advice. Please call a Title Company or an Attorney for more information.

### **What gives the appraiser the right to photograph or enter my property uninvited?**

The laws of the State of Alaska require the Assessor or his authorized employees to periodically inspect all real property to determine its true and fair market value on a four-year reassessment cycle. (AS 29.45.130b) The Assessor or agent of the Assessor may enter the property grounds to conduct a physical exterior inspection of the structures during reasonable hours. An interior inspection may take place if the structure is under construction, or if the person in actual possession of the structures gives permission or under court orders.

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### What is a mill rate?

A mill rate is just the number of mills each individual property is to be assessed, or charged, per dollar value of the property. For example, if your mill rate were 20 mills, you would pay two cents for every dollar of assessed value or \$20.00 for each \$1,000 of assessed value.

### How much will my taxes be?

Taxes are calculated by multiplying the taxable assessed value by the tax rate.

### Sample

#### Taxable Value x Tax Rate = Annual Tax

Taxable Value	Tax Rate	Annual Tax
\$100,000 X	.006 (6 Mills) =	\$600.00



### City & Borough of Sitka

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Fax: 907-747-6138

[www.cityofsitka.com](http://www.cityofsitka.com)

### City & Borough of Sitka

## How is my property Assessed?



Assessing Department  
Tel: 907-747-1822

# F.A.Q.'s about the assessing process

## How is property assessed?

Appraisers from the borough assessing department conduct field inspections to collect and verify property descriptions and to identify all characteristics which might affect a property's value. These characteristics include, but are not limited to, land area and features, the size of the structure(s), the quality of materials and workmanship, building style and number of stories, number of bedrooms and bathrooms, heat source, and observed condition. The property's characteristics are used to calculate replacement cost and depreciation, plus land value, which are compared with similar market sales and adjusted to market value based upon prevailing price levels.

## How is property valued?

State law requires Assessors to value all taxable property at 100% of its true and fair market value in dollars, according to the highest and best use of the property. Market Value means the amount of money that a willing buyer, not obligated to buy would pay a willing seller, not obligated to sell, taking into consideration all uses to which the property is adapted and might be applied.

## Why do property values change?

The most frequent reason for a change in value of a given property is a change in market conditions. This means a change in the supply or demand for real estate, which typically reflects broader trends in the local or regional economy such as employment levels, household income, inflation or deflation, prevailing interest rates, consumer confidence, or any number of other economic factors. Basically, a change in market conditions means a change in the price a seller would be willing to accept or the price a buyer would be willing to pay for a given property.

The assessor continually tracks market conditions as reflected in real estate sales prices and overall price levels.

## How does the assessor estimate market value?

The Assessor uses the cost approach which is based on the idea that the value of an existing property is the value of the land plus the replacement cost of the improvements minus depreciation. Depreciation is not the number of years the improvements have been used; it is the loss in value due to physical deterioration, functional and/or economic obsolescence.

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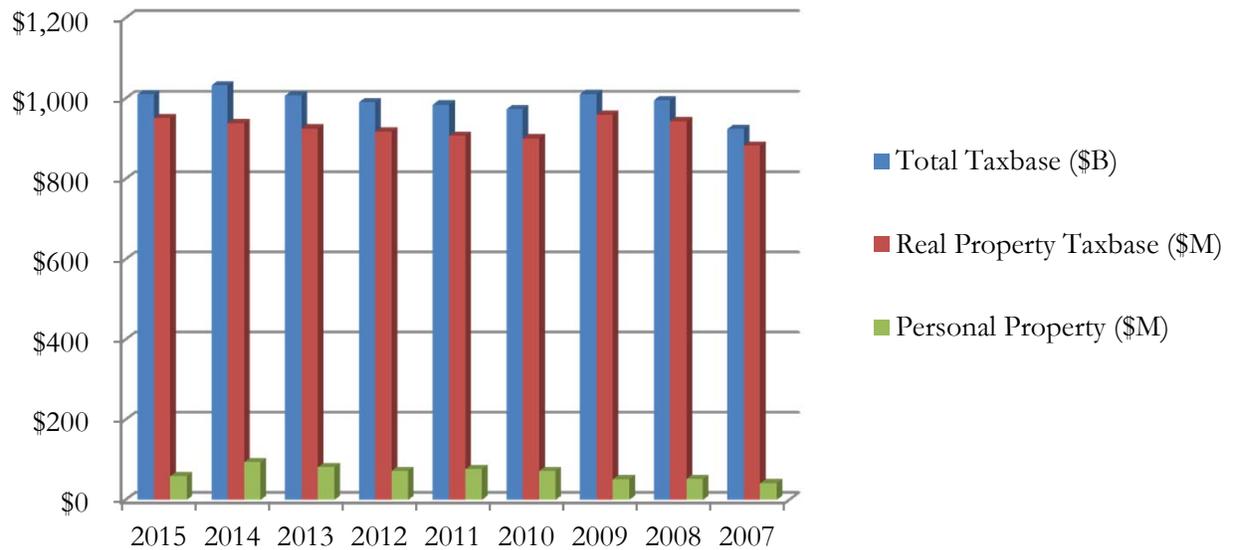
Wendy J. Lawrence, Assessor  
100 Lincoln St, Room 106  
Sitka, AK 99835

Phone: 907-747-1822

Fax: 907-747-6138

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## Sitka Property Tax Assessed Values (\$B)



## Property Tax Revenues (\$M)

