

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-13A

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 4.12 ENTITLED "PROPERTY TAX" TO ADD SITKA GENERAL CODE 4.12.045 ENTITLED "EXEMPTIONS – DISASTER DAMAGE" TO ALLOW REASSESSMENT OF PROPERTY DAMAGED BY DISASTER

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** Alaska Statute 29.45.230 entitled "Tax Adjustments on Property Affected by a Disaster" allows municipalities, by ordinance, to assess or reassess and reduce taxes for property destroyed, damaged or otherwise reduced in value as a result of a disaster. The City and Borough of Sitka has no such ordinance or provision in its general code. The purpose of this ordinance is to add SGC 4.12.045 entitled "Exemptions – Disaster damage" so that, upon application by the property owner, the assessor can assess or reassess and/or reduce the amount of tax owed on properties that have sustained more than \$10,000 in damages by storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, avalanche, snowstorm, prolonged extreme cold, drought, fire, flood, epidemic, explosion or riot.

4. **ENACTMENT. NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka that SGC 4.12.045 entitled "Exemptions – Disaster damage" is added as follows (new language underlined; deleted language stricken):

Chapter 4.12
PROPERTY TAX

Sections:

- 4.12.010 Definitions.
4.12.020 Property subject to tax.
4.12.025 Exemptions.
4.12.030 Assessor's duties.
4.12.040 Assessment of property at full and true value.
4.12.045 Exemptions – Disaster damage.

47 **4.12.045 Exemptions—Disaster damage.**

48 **A. Reassessment of property damaged by disaster.** An owner of any taxable property
49 within the borough, or any person liable for the taxes thereon, whose property was damaged
50 by a disaster without his or her fault, may apply for reassessment of that property under this
51 section. In addition, the assessor may initiate such reassessment where the administrator
52 determines that within the current assessment year taxable property located in the borough
53 was damaged by a disaster.

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55 **B. Definitions:**

56 Unless the context clearly requires a different meaning, the following words and phrases as
57 used in this section are defined as shown below:

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59 "Damage" means harm resulting from physical injury to property, including partial or total
60 destruction, and a diminution in the value of improvements or land resulting from restricted
61 access to property caused by the disaster.

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63 "Disaster" means the occurrence or imminent threat of widespread or severe damage, injury,
64 loss of life or property, or shortage of food, water, or fuel resulting from:

- 65
66 1. An incident such as storm, high water, wind-driven water, tidal wave, tsunami,
67 earthquake, volcanic eruption, landslide, mudslide, avalanche, snowstorm, prolonged
68 extreme cold, drought, fire, flood, epidemic, explosion, or riot;
69 2. The release of oil or a hazardous substance if the release requires prompt action to
70 avert environmental danger or mitigate environmental damage; or
71 3. Equipment failure if the failure is not a predictably frequent or recurring event or
72 preventable by adequate equipment maintenance or operation.

73
74 **C. Eligibility.** To be eligible for reassessment, the damage to the property shall have been
75 caused by any of the following:

- 76 1. A disaster in an area or region declared by the administrator, the governor, or the
77 president to be in a condition of disaster emergency;
78 2. A disaster as that term is defined in this section; or
79 3. A disaster that, with respect to a possessory interest in land owned by the state or
80 federal government has caused the permit or other right to enter upon the land to be
81 suspended or restricted.

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83 **D. Application for reassessment.**

- 84 1. The application for reassessment must be filed with the assessor within 60 days of the
85 disaster by delivering to the assessor a written application, on a form provided by the
86 assessor, requesting reassessment and describing the condition and value of the
87 property immediately before and after the damage or destruction.
88 2. If no application is made and the assessor determines that within the calendar year a
89 property has suffered damage caused by disaster that may qualify the property owner
90 for relief under an ordinance adopted under this section, the assessor may provide the
91 last known owner of the property with an application for reassessment. The property

92 owner shall file the completed application within 30 days of the date of the mailing of
93 notification by the assessor but in no case more than 60 days after the occurrence of
94 said damage.

95 3. Upon receiving the proper application, the assessor or assessor's designee will inspect
96 the property and verify the prior year's full and true value of land, improvements,
97 personal property, or the proposed or certified current year's value immediately before
98 and after the damage or destruction.

99 4. If an applicant has refused or failed to provide the assessor or the assessor's agent full
100 access to property or records reasonably requested by the assessor, the applicant shall
101 be precluded from any reduction or relief, and any valuation or valuation issue
102 affected by the lack of access shall be decided in favor of the assessor.

103 5. If the sum of the full and true values of the land, improvements, and personal
104 property before the damage exceeds the sum of the values after the damage by
105 \$10,000.00 or more, the assessor shall also separately determine the percentage
106 reduction in value of the land, improvements, or personal property due to the damage
107 or destruction. The assessor shall reduce the values appearing on the assessment roll
108 by the percentage of damage or destruction computed pursuant to this section, and the
109 taxes due on the property shall be adjusted as provided this section. However, the
110 amount of the reduction shall not exceed the actual loss.

111 6. Any damages to land, improvements, personal property, or additions that do not
112 appear on the assessment roll are not eligible for consideration under this section.

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114 **E. Notice of reassessment.** The assessor shall notify the applicant in writing of the amount
115 of the proposed reassessment. The notice shall state that the applicant may appeal the
116 proposed reassessment to the board of equalization within 30 days of the date of mailing the
117 notice.

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119 **F. Appeal.** Appeals of the reassessed value shall be heard in accordance with the valuation
120 and flat tax appeal procedures provided in this chapter. A decision of the board of
121 equalization regarding reassessment issued pursuant to this section shall create no
122 presumption regarding the value of the affected property subsequent to the date of the
123 damage.

124
125 **G. Tax roll adjustment.** Any reassessed value resulting from one or more reductions in full
126 and true value of amounts, as determined above, shall be forwarded to the finance director.
127 The finance director shall calculate and enter the reassessed tax values on the finance roll as a
128 tax adjustment request (TAR).

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130 **H. Tax adjustment.** The tax rate fixed for the property so reassessed shall be applied to the
131 amount of the reassessment as determined in accordance with this section. The owner of
132 record shall be liable for a prorated portion of the taxes that would have been due on the
133 property for the current calendar year had the disaster not occurred. This proration is
134 determined on the basis of the number of days remaining in the calendar year beginning with
135 the date of the disaster. For purposes of applying the calculation in prorating taxes, the term
136 "calendar year" means the portion of the current tax year used to determine the adjusted

137 amount of taxes based on a 365-day year. If the damage or destruction occurred after January
138 1 and before the beginning of the next calendar year, the reassessment shall be utilized to
139 determine the tax liability for the current year. Any tax paid in excess of the total tax due
140 shall be refunded to the taxpayer as an erroneously collected tax within 60 days of the final
141 determination of the adjusted tax liability.

142
143 **I. Effect of revised assessment.** The assessed value of the property in its damaged
144 condition, as determined pursuant to this section shall be the taxable value of the property
145 until December 31 of the year in which the disaster occurred, unless the value is otherwise
146 adjusted as allowed by law.

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148 5. **EFFECTIVE DATE.** This ordinance shall become effective January 1, 2015.

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150 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
151 Sitka, Alaska this 10th day of June, 2014.

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Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk