

Memorandum

TO: Mark Gorman, Municipal Administrator
Mayor Mim McConnell and Members of the Assembly

FROM: Randy Hughes, Assessing Director

SUBJECT: Amending the Property Tax Provisions at SGC Chapter 4.12 Entitled "Property Tax" to Add SGC 4.12.045 Entitled "Exemptions-Disaster Damage" to Allow Reassessment of Property Damaged by Disaster.

DATE: May 13th 2014

The proposed change to SGC 4.12 is intended to bring some property tax relief to those property owners who have sustained more than \$10,000 in damages as a result of a disaster.

Every year we have one or two properties that are significantly damaged by fire or mudslides. Property values are based on what was there as of January 1st, without exception. The adoption of this ordinance is allowed by Alaska Statute 29.45.230.

AS 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.*

**TAXPAYER'S CLAIM FOR REDUCTION OF ASSESSMENTS AND THE ABATEMENT OF TAXES
RESULTING FROM DAMAGED REAL OR PERSONAL PROPERTY RESULTING FROM A
DISASTER AS DEFINED IN SGC 4.12.045**

Mail Completed Forms to: Assessor, 100 Lincoln Street, Sitka, AK 99835

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

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

NOTICE TO TAXPAYER: This claim for reduction of assessments and for the abatement of taxes must be filed with the Borough Assessor within sixty (60) days after the date of damage due to a disaster as defined in SGC 4.12.045. If you disagree with the Assessor's determination of value, you may appeal the value to the Board of Equalization within thirty (30) days of the date of notice by submitting a written appeal to the Borough Clerk.

PART 1. TO BE COMPLETED BY TAXPAYER

Pursuant to SGC 4.12.045, I hereby petition for adjustment to the assessed value of the property described below, and for the applicable abatement of taxes.

Taxpayer

Phone Number

Mailing Address

Property Address

City, State, Zip Code

City, State, Zip Code

Borough Parcel ID No. _____

Legal Description _____

Check all that apply:

- Real Property Personal Property Land Mobile Home Commercial

Description of property damage: _____

Date damage occurred: ___/___/___ Describe disaster that caused damage: _____

Estimated value of property damage: _____

If property taxes were paid for the tax year of the disaster, state amount paid: \$ _____

I hereby declare under penalty of perjury that the above information is true and correct to the best of my knowledge and belief.

Date Signed

Taxpayer's Signature

PART 2. ASSESSOR'S USE ONLY

Claim: Qualifies Date filed with Assessor ___/___/___
 Does not qualify, because: _____

PART 3. TO BE COMPLETED BY ASSESSOR IF PROPERTY QUALIFIES

Date disaster damage occurred: ___/___/___

- 1. Assessed value of property prior to damage (_____ days) \$ _____
- 2. Full and true value of property after damage (_____ days) \$ _____
- 3. Taxable value of property prior to damage (less exemptions) \$ _____
- 4. Taxable value of property after damage (less exemptions) \$ _____

I hereby certify my determination of the assessed value after damage for the assessment year _____ is as shown on line two (2).

 Date Assessor Date sent to Taxpayer

NOTICE TO TAXPAYER

If you disagree with the Assessor's determination of value, you may appeal the value to the Board of Equalization within thirty (30) days of above Date Sent to Taxpayer by submitting a written appeal to the Borough Clerk in accordance with SGC 4.12.045

PART 4. TO BE COMPLETED BY FINANCE DEPARTMENT.
 Calculation for amount of taxes in year of disaster

	Number of days	Mill Rate	Yearly Tax	Daily Tax	Adjusted Yearly Tax
Original Taxable Value					
(line 3)	(line 1)				
Adjusted Taxable Value					
(line 4)	(line 2)				

Yearly Tax Due \$ _____ Yearly Adjusted Taxable Value \$ _____