

## Memorandum

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**TO:** Mayor Hunter and Members of the Assembly  
Mark Gorman, Municipal Administrator

**FROM:** Wendy Lawrence, Assessing Director

**SUBJECT:** Resolution Changing the Property Tax Revaluation Cycle from four to six years

**DATE:** December 7, 2016

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The goal of mass-appraisal is to systematically revalue all 7,000 real and personal property accounts at low costs utilizing systematic processes and computerized valuation systems. This is achieved in part by segmenting the borough into cycle areas that are inspected and revalued each year as a part of that systematic process.

The City and Borough of Sitka established a four-year cycle in 2010, but the Assessing Department has historically been unable to meet the required 1,000 annual inspections and revaluations that a four-year cycle requires (4,100 real property account divided by a four-year cycle). Up until tax year 2014, the department historically completed approximately 300 valuations annually, and in 2015 completed 690 valuations due to the streamlining of processes and procedures. This streamlining involved automation of tasks that could be automated through the use of computers and/or programs, the introduction of new field technology to increase inspection productivity and cross-training of staff to spread the manual valuation function. However, the lack of a computerized valuation system remains the primary limiting factor in completing the required number of valuations annually.

**Fiscal Note:**

The net fiscal effect of this resolution is \$0 as this is a policy change only.

**Recommendation:**

It is recommended that this resolution be passed in order to change the revaluation cycle from four to six years in order to bring the administration of the property tax into compliance with state and local laws. This will reduce the number of required inspections from 1,000 to 680 per year, which is a more realistic goal that will not require additional staffing.

**CITY AND BOROUGH OF SITKA**

**RESOLUTION NO. 2016-25**

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, ALASKA  
CHANGING THE PROPERTY TAX REVALUATION CYCLE FROM FOUR TO SIX YEARS**

**WHEREAS**, AS 29.45.150 provides that a systematic revaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the municipality directing a systematic revaluation of all taxable property in the municipality over the shortest period of time practicable, as fixed in resolution or act; and

**WHEREAS**, the goal of mass-appraisal is to systematically revalue all properties at low costs utilizing systematic processes and computerized valuation systems; and

**WHEREAS**, due to the volume of work annual revaluation of all taxable property requires segmenting the borough property into six cycle areas that are inspected and revalued each year; and

**WHEREAS**, the Assessor has advised the Assembly that changing this valuation cycle from four to six years would bring the Assessing Department into compliance with state law and allow for the most efficient use of available resources; and

**WHEREAS**, a systematic revaluation of all taxable real property at not greater than six-year intervals on a rotating basis is inherently fair and equitable to taxpayers.

**NOW, THEREFORE, BE IT RESOLVED** that the Assembly of the City and Borough of Sitka, Alaska by this resolution, affirms and authorizes the following:

That the Assembly of the City and Borough of Sitka, hereby directs that the Assessor of the City and Borough of Sitka shall undertake a systematic revaluation of all taxable real property within the borough on a rotating basis at intervals not greater than six years, which is determined to be the shortest period of time practicable considering the size and resources of the City and Borough of Sitka.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska, on this 13<sup>th</sup> day of December, 2016.

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Matthew Hunter, Mayor

ATTEST:

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Sara Peterson, CMC  
Municipal Clerk

1<sup>st</sup> and final reading 12/13/16