

CITY AND BOROUGH OF SITKA – ASSESSMENT APPEAL



Appeal No. 2016-03

APPEAL GUIDELINES:

Alaska Statute 29.45.110(b) 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.

APPELLANT INFORMATION:

The property owner failed to provide factual information to support this appeal by the April 22 deadline. Factual support of all filed appeals can consist of property-specific appraisals, photos, drawings, insurance estimates, or a complete list of assets, and is required in order to meet the burden of proof which rests upon the appellant, per AS 29.45.210(b).

ASSESSOR'S DISCUSSION:

Assessor's Parcel No. A-2016-010 – Dal Global Services, LLC dba Delta Airlines	
Owner's Opinion of Value:	Assessed Value:
\$1,862	\$87,900

Background:

2015 was the first year that Dal Global Services, LLC (dba Delta Airlines), conducted business in Sitka. They had a total of 117 flights in and out of Rocky Gutierrez Airport. With this volume of flights, comes a commensurate amount of business personal property for Delta Airlines to accommodate their transportation business.

February 12, 2016 Dal Global Services, LLC, dba Delta Airlines, filed a Business Personal Property Declaration. They listed only one (1) asset at the Sitka Airport. - [See exhibit A](#)

A Disabled Passenger Ramp – Acquired 10-31-2014; Cost 5,475 Depreciated value \$1,862

An email was sent to the representative for Delta Airlines, stating that all Business Property must be included in the declaration, along with property held or controlled by the company in a representative capacity. Sitka General Code (SGC 4.12.050) – [exhibit B](#)

The representative for Delta Airlines replied that one (1) asset was all that they had in the City & Borough of Sitka.

Based upon a site inspection of the Delta Airlines site at the Rocky Gutierrez Airport, and under the assumption that Delta Airlines requires more than one (1) asset to run their business in the City & Borough of Sitka - [exhibit C](#) the Assessing Department generated a Business Personal Property estimate because Delta Airlines failed to file a complete Declaration as required by

CITY AND BOROUGH OF SITKA – ASSESSMENT APPEAL



Appeal No. 2016-03

SGC 4.12.050 - *exhibit B*

The Assessing Department force filed on Delta Airlines in the amount of \$87,900 for the Business Personal Property located at Rocky Gutierrez Airport – *SGC 4.12.030 – exhibit D*

Economic Theory:

Business Personal Property is assessed at full value and is self-reported by each property owner. When an Assessing Department does not have information or complete information from a business, it is the standard of practice to compare like businesses.

Alaska Airlines also doing business at the Sitka Airport, declared a value of \$901,900 for the business personal property they had in use in Sitka for the tax year 2016.

Alaska Airlines Leases 3,060 square feet of space at the airport, this does not include joint use areas. -*See exhibit E for lease areas*

When the declared value of business property is divided by the amount of exclusively used space, an amount of \$294.74 of business personal property per square feet is derived.

When this equation is applied to the 684 square feet of leased space that Delta Airlines uses, an amount of \$201,601 is obtained. Therefore in comparing like businesses, Delta Airlines could have in the area of \$201,600 in business personal property in the City & Borough of Sitka.

2016 Assessed Valuation:

Delta Airlines was assessed for:

Computer, Scanners, & Software	\$39,000
Office Equipment, Kiosks, Furnishings	\$11,250
Disabled Passenger Ramp	\$3,668
Signage, counters, bag rollers, other equipment	\$34,000

For a total of \$87,918

Rounding to the nearest hundred, Delta Airlines was force filed on for \$87,900. - *exhibit F & G*

Delta Airlines had the opportunity to refute this estimated filing, but failed to provide an accurate and complete rendition of their assets in Sitka. Upon receiving their assessment notice Dal Global Services, LLC, (dba Delta Airlines), filed a Business Personal Property assessment appeal for 2016, without an actual asset rendition. – *exhibit H*

CITY AND BOROUGH OF SITKA - ASSESSMENT APPEAL



Appeal No. 2016-03

Value Conclusion:

The appellant bears the burden of proof and has failed to provide any evidence to support the assertion that they are able to run a transportation service in the City & Borough of Sitka with only one (1) asset, and in that instance you are mandated to uphold this valuation per AS 29.45.210(B).

In light of the foregoing information, the Assessing Department respectfully requests that you uphold the 2016 Assessed Valuation of \$87,900. This value is supported by the evidence presented, the best estimate of assets in use, and with every effort made to ensure accurate and equitable valuations between all properties.

Reference:

AS 29.45.110. Full and true value.

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

AS 29.45.210. Hearing.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.

(b) 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.

(c) The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments, the assessor shall enter the changes and certify the final assessment roll by June 1.

(d) An appellant or the assessor may appeal a determination of the board of equalization to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established at the hearing before the board of equalization.



City & Borough of Sitka

Assessor's Office, 100 Lincoln St, Room 106, Sitka, AK 99835

Phone: 907-747-1822 Fax: 907-747-6138 Email: ruth@cityofsitka.com

Business Property Return is also available for electronic filing (Excel) at www.cityofsitka.com

2016 – Business Property Return

Account Number: A-2016-010	Type of Business: Transportation Services
Owner: DAL GLOBAL SERVICES, LLC PO BOX 45852 ATLANTA, GA 30320-5852	Business Name & Subsidiary/DBA (if Applicable): Location/Address of Property: Situs: SITKA, AK 99835 SITKA, AK 99835
Person to Contact Concerning This Report	
Name: Robert Federico	Title: Agent
Phone: (404) 365-0922	E-Mail: bob.federico@ryan.com

Instructions for filing Business Property Return: This return should be used for any retail, wholesale, industrial, hotel, service, professional, or other enterprises. Commercially used aircraft are to be declared on this return. Property that is temporarily out of the City & Borough of Sitka on January 1st is taxable. Licensed vehicles, boats, float houses, and personal aircraft are not to be declared on this form. Include a leased equipment list, so that the lessor may be contacted.

Fair market value should be given for each category of assets listed. IRS depreciation is not acceptable. Depreciation table instructions and examples of machinery and equipment year life tables can be found on pages 9 through 12. Note separately any assets sold or discarded during the preceding year. All returns are subject to the Assessor's Office review and/or revision. Incomplete forms may be returned to taxpayer.

ITEMIZATION IS REQUIRED: A PRINTOUT OF ASSETS MAY BE ATTACHED TO THIS FORM.

Who must file? Every person, association, corporation, or firm (regardless of residency) who owns or controls business property which is not specifically exempt in the City & Borough of Sitka.	What must be listed? All business property located in the City & Borough of Sitka that was in the control of, or use by, the taxpayer on January 1. This includes assets owned, leased by, loaned to, or borrowed by the taxpayer.
How do I file? Complete this report by reviewing steps 1 through 8 on the BP summary page. The electronic form will self-calculate depreciation and market value for assets.	Can't make the February 15th deadline? Upon formal request by the taxpayer prior to the February 15 th deadline, the Assessor may grant an extension of up to 29 days.
The Assessor's Office will declare a value for returns not received by the due date, and the property assessment will be based upon the Assessor's declared value.	

SGC 4.12.055. Failure to file return – Fee- Penalty

(A) A taxpayer who fails to file a return as provided in SGC 4.12.50A shall be subject to a fee of \$100.00 for the cost of the assessor's preparation of a valuation based on information available or obtained by the assessor for the taxable property as allowed under SGC 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices.

(B) A person or entity that knowingly makes a false affidavit to a business property or personal property return required by this section relative to the amount, location, kind of value of property subject to taxation with the intent to evade the taxation, is guilty of a violation. Upon conviction, the violator shall be subject to a penalty as provided in SGC 1.12.010.

THIS FORM IS TO BE FILED ON OR BEFORE FEBRUARY 15, 2016

2016 - Business Property Return

Business Property Return is also available for electronic filing (Excel) at www.cityofsitka.com

I HEREBY DECLARE OWNERSHIP OR CONTROL OF THE FOLLOWING TAXABLE BUSINESS PROPERTY

No Change from previous year?

(Enter "No Change" at right, sign & date return)

No Longer in Business?

(Complete lines 1, 2, & 3 below, sign & date return)

Not applicable for 1st
time filing ☐

1. When did your business close or cease conducting business in the City & Borough of Sitka?

2. Did you sell your business?

3. If so, who is the new owner?

ASSETS

Page No.		Acquisition Cost	Accrued Depreciation	Market Value	Office Use Only
3 & 4	Office Equipment & Computers				
5	Furniture, Fixtures & Leasehold				
6	Machinery and Equipment	5,475	3,614	1,862	
	Total (round \$100)	5,500	3,600	1,900	
7	Leased Assets	SEE PAGE 7			
7	Sold or disposed Assets	SEE PAGE 7			

AIRCRAFT & HELICOPTERS

		Market Value
8	Aircraft	

Sold Aircraft

Transfer price (aircraft)		Buyers Name	
Transfer Date		Mailing Address	

I, the Undersigned, hereby declare that this statement is to the best of my knowledge and belief true, correct and complete, and that it includes all business property, not exempted from taxation, owned by the company on January 1, 2016.

Robert Federico D.T. Agent
Signature/Title of person preparing return

02/12/2016

Date

Robert Federico
Print Name

(404) 365-0922
Phone No.

Sitka, AK
2016 Business Personal Property Tax Return - A-2016-010

Taxpayer: DAL GLOBAL SERVICES, LLC
FEIN: 58-2198841
Location ID: CG002SIT
Account #: A-2016-010

SITKA, AK 99835

Taxable - Detail

Form: Machinery and Equipment				(Reported with subtotals by depreciable life and grand totals at the end)		
Class: Page 6 - Machinery & Equipment				Depreciation: 5 Yr		(Subtotal of all assets with this depreciable life)
Date Acq	Age	Asset ID	Asset Description	Cost	Deprec Value	Assd Value
10-31-2012	4	000000516671-0000	DISABLED PASSENGER RAMP	5,475	1,862	1,862
Class Subtotal:			1 Asset	5,475	1,862	1,862
Totals for Taxable:				Original Cost	Deprec Value	Assd Value
				5,475	1,862	1,862

* Percent Good is a composite of the percent good allowed and the trend factor if one is applicable

* Values may differ slightly from the return due to rounding issues

Ruth Joens

From: Thigpen, Quineisha <Q.Thigpen@ryan.com>
Sent: Friday, February 12, 2016 1:04 PM
To: Assessing
Cc: Kelly, Steve
Subject: Dal Global Services, LLC (Delta) - Acct# A-2016-010
Attachments: Delta AK PT 2016 Sitka Business Personal Property Return 02-12-2016.pdf

Importance: High

Dear Sir/Madam:

The attached Business Personal Property return is being filed on behalf of Dal Global Services, LLC for the above referenced account for tax year 2016. Please forward all notices or correspondence regarding this account to the following address:

Dal Global Services, LLC
PO BOX 45852
DEPT 852
Atlanta, GA 30320-5852

Thanks,

Quineisha R. Thigpen
Lead Analyst & AtlasTax/ONESOURCE Power User, PTS - Complex
Complex India Liaison

Ryan, LLC
3344 Peachtree Road NE
Suite 1000
Atlanta, GA 30326

404.365-0922 ext. 14-9420
404.942.6389 Facsimile
q.thigpen@ryan.com Email

www.ryan.com

Innovative Solutions to Taxing Problems



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If you are not the addressee indicated in this message (or responsible
for delivery of the message to such person), you may not copy or

4.12.050 Property owners' returns

A. Submission Basis. By no later than February 15th of each year, every person shall submit to the assessor a return of any business property or personal property, subject to taxation, owned by him, or in which he has an interest, and of the property held or controlled by him in a representative capacity, in the manner prescribed in this title, which return shall be based upon property values existing as of January 1st in the same year. For good cause shown, prior to delinquency, an extension of time of up to twenty-nine days may be granted by the assessor, but he may grant no extension ending later than March 15th of the tax year.

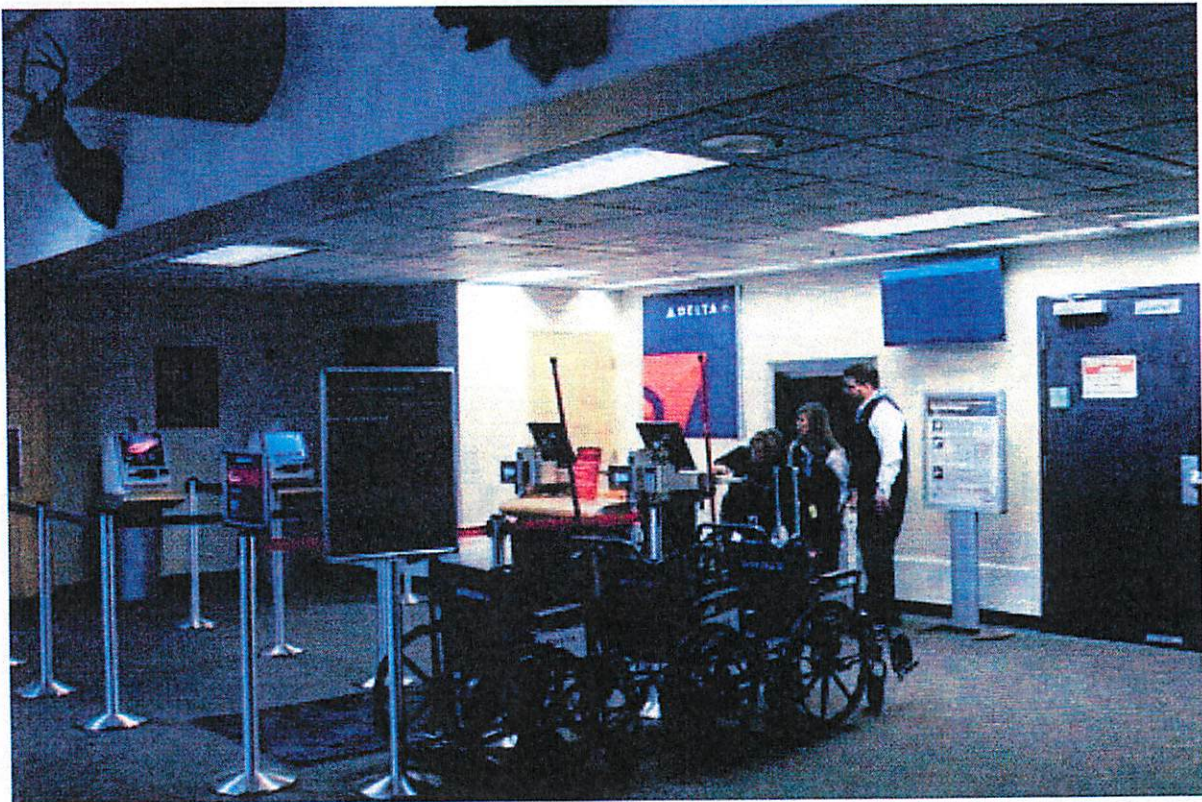
B. Contents. The person making the return in every case shall state an address to which all notices required to be given to him under this title may be mailed or delivered.

The returns shall show the nature, description, and true value of the property and the place where the property is situated and the return shall be in such form and include such additional information as the assembly may prescribe, and shall be signed and verified by the person liable or his or its authorized agent or representative.

In addition the person making the return shall give the name or names of any person or persons to whom he conveyed property during the previous year and a brief description of the property so conveyed sufficient to identify it on the tax records.

C. Additional Information. The assessor may, by notice in writing to any person by whom a return has been made, require from taxpayer a further return containing additional details and more explicit particulars and upon receipt of the notice, that person shall comply fully with its requirements within fourteen days.

Exhibit C



4.12.030

C. Independent Investigation by Assessor. The assessor shall not be bound to accept as correct the return made by any person, but if he thinks it necessary or expedient, or if he suspects that a person who has not made a return has property subject to taxation he shall make an independent investigation as to the property of that person and may make his own valuation and assessment of the taxable amount thereof, which shall be prima facie (accepted as correct until proven otherwise) evidence for all legal purposes and proceedings.

Rent and Fee Schedule
Delta Air lines, Inc.

The following is the rent fee schedule charged the Sublessee in exchange for the privileges, facilities, and services granted in this agreement. This agreement will be adjusted annually based on the percentage difference between the "All Items figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers", beginning with the edition published the soonest after January 1.

	Square Feet	Lease Rate	Annual Amount	Monthly Amount
<u>Sublessee Use Area</u>				
Ticket Counter	369	\$33.60	12,398.40	1,033.20
Additional Office	315	\$33.60	10,584.00	882
Subtotal Sublessee Use Areas	684	\$33.60	22,982.40	1,915.20

SIT JOINT USE

	Square Feet	Annual Lease Rate	Annual Amount	20% Fixed Cost Annual	20% Fixed Cost Monthly	Cost Per Airline (2)	80% Pro-Rata Cost Annual	80% Pro-Rata Cost Monthly	Cost Per Airline based on % enplaned pax
Passenger Hold Room	1,100	\$33.60	\$36,960.00	\$7,392.00	\$616.00	\$308.00	\$29,568.00	\$2,464.00	
Boarding Gate	800	\$33.60	\$26,880.00	\$5,376.00	\$448.00	\$224.00	\$21,504.00	\$1,792.00	
Baggage Make up	900	\$33.60	\$30,240.00	\$6,048.00	\$504.00	\$252.00	\$24,192.00	\$2,016.00	
Baggage Claim Area	2,500	\$33.60	\$84,000.00	\$16,800.00	\$1,400.00	700	\$67,200.00	\$5,600.00	
Deplaning Corridor	360	\$33.60	\$12,096.00	\$2,419.20	\$201.60	\$100.80	\$9,676.80	\$806.40	
Total Airline Joint Use Areas	5,660	\$33.60	\$190,176.00	\$38,035.20	\$3,169.60	\$1,584.80	\$152,140.80	\$12,678.40	Calculated monthly
*Lease rate monthly \$2.80									

20% shared equally between all air carriers			80% distributed between air carriers on total passenger enplanement		
Alaska Airlines		Delta Air lines	*Alaska Airlines		*Delta Air lines
Joint Use Variable	1,584.80	\$1,584.80	\$11,410.56		\$1,267.84

*Alaska Airlines 90% of enplanement and Delta Airlines 10% of enplanements.

Total Lease Charges **\$4,767.84 monthly**

Common Use Area amount charged to Sublessee shall be based upon the 20/80 formula as follows:

20% of the total monthly amount shall be divided equally among all scheduled air carriers having the right to use the Joint Use Areas during the previous calendar month.

80% of the total monthly amount shall be multiplied by each scheduled air carriers percentage of the total enplaned passengers at the air terminal during the previous calendar month.



CITY AND BOROUGH OF SITKA

Assessor's Office, 100 Lincoln St., Room 108, Sitka, AK 99835

Phone: 907-747-1822 Fax: 907-747-6138 Email: assessing@cityofsitka.org

Business Property Return is also available for electronic filing (Excel) at www.cityofsitka.com

2016 - BUSINESS PROPERTY RETURN

THIS FORM IS TO BE FILED ON OR BEFORE FEBRUARY 15th 2016.

Account Number: A-2016-010	Type of Business: Transportation Services
Owner Name: DAL Global Services, LLC	Business Name & Subsidiary/Alias (If Applicable): Delta Airlines
Mailing Address: P.O. Box 45852 Atlanta, GA 30320	Location/Address of Property: Sitka, AK Airport
Person to Contact Concerning This Report	
Name: Robert Federico	Title: Agent
Phone: 404-365-0922 ex 14-9420	E-Mail: g.thigpen@ryan.com

Instructions for filing Business Property Return: This return should be used for any retail, wholesale, industrial, hotel, service, professional or other enterprises. Commercially used aircraft are to be declared on this return. Property that is temporarily out of the City & Borough of Sitka on January 1st is taxable. Licensed vehicles, boats, float houses and personal aircraft are not to be declared on this form. Include a leased equipment listing, so that the lessor may be contacted.

Fair market value should be given for each category of assets listed. **IRS depreciation is not acceptable.** Depreciation table instructions and examples of machinery and equipment year life tables can be found on pages 9 through 12. Note separately any assets sold or discarded during the preceding year. All returns are subject to the Assessor's Office review and/or revision. Incomplete forms may be returned to taxpayer.

ITEMIZATION IS REQUIRED; A PRINTOUT OF ASSETS MAY BE ATTACHED TO THIS FORM.

Who must file? Every person, association, corporation or firm (regardless of residency) who owns or controls business property which is not specifically exempt in the City & Borough of Sitka.	What must be listed? All business property located in the City & Borough of Sitka that was in the control of, or use by, the taxpayer on January 1. This includes assets owned, leased by, loaned to, or borrowed by the taxpayer.
How Do I File? Complete this report by reviewing steps 1 through 8 on the BP Summary page. The electronic form will self calculate depreciation and market value for assets.	Can't make the February 15 filing deadline? Upon formal request by the taxpayer prior to the February 15 deadline, the Assessor may grant an extension of up to 29 days.
The Assessor's Office will declare a value for returns not received by the due date and the property assessment will be based upon the Assessor's declared value.	

SGC 4.12.055. Failure to file return - Fee - Penalty.

(A) A taxpayer who fails to file a return as provided in SGC 4.12.50A shall be subject to a fee of **\$100.00** for the cost of the assessor's preparation of a valuation based on information available or obtained by the assessor for the taxable property as allowed under SGC 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices.

(B) A person or entity that knowingly makes a false affidavit to a business property or personal property return required by this section relative to the amount, location, kind or value of property subject to taxation with the intent to evade the taxation, is guilty of a violation. Upon conviction, the violator shall be subject to penalty as provided in SGC 1.12.010.



CITY AND BOROUGH OF SITKA

Assessor's Office, 100 Lincoln St., Room 108, Sitka, AK 99835

Phone: 907-747-1822 Fax: 907-747-6138 Email: assessing@cityofsitka.org

Business Property Return is also available for electronic filing (Excel) at www.cityofsitka.com

2016 BUSINESS PROPERTY RETURN

I HEREBY DECLARE OWNERSHIP OR CONTROL OF THE FOLLOWING TAXABLE BUSINESS PROPERTY

NO CHANGE FROM PREVIOUS YEAR? (Enter "No Change" at right, sign & date return)

NO LONGER IN BUSINESS? (Complete lines 1,2,&3 below, sign & date return)

1

When did your business close or cease conducting business in the City & Borough of Sitka:

2

Did you sell your business:

3

If so, who is the new owner:

ASSETS

		ACQUISITION COST	ACCRUED DEPRECIATION	MARKET VALUE	FOR OFFICE USE ONLY
<u>Pages 3 & 4</u>	OFFICE EQUIPMENT AND COMPUTERS	\$ 53,500	\$ 10,455	\$ 43,045	
<u>Page 5</u>	FURNITURE, FIXTURES AND LEASEHOLD	\$ 7,800	\$ 624	\$ 7,176	
<u>Page 6</u>	MACHINERY AND EQUIPMENT	\$ 42,475	\$ 4,767	\$ 37,708	
	TOTAL (RND \$100)	\$ 103,800	\$ 15,800	\$ 87,900	
<u>Page 7</u>	LEASED ASSETS	SEE PAGE 7			
<u>Page 7</u>	SOLD OR DISPOSED ASSETS	SEE PAGE 7			

AIRCRAFT & HELICOPTERS

<u>Page 8</u>	AIRCRAFT	→	MARKET VALUE
	SOLD AIRCRAFT		
	TRANSFER PRICE (AIRCRAFT)	BUYERS NAME	
	TRANSFER DATE	MAILING ADDRESS	

Robert Federico

2/12/2016

SIGNATURE/TITLE OF PERSON PREPARING RETURN

DATE

Please print name(s) here so that we may correctly identify the contact person for this report if needed.

COMPUTERS & SOFTWARE

[illegible]

OFFICE EQUIPMENT

[illegible]

FURNITURE, FIXTURES & LEASEHOLD

[illegible]

MACHINERY & EQUIPMENT

[illegible]

TAX YEAR
2016

CITY AND BOROUGH OF SITKA ASSESSOR'S OFFICE JANUARY 1, 2016 BUSINESS PERSONAL PROPERTY VALUE TABLES

Computers		Machinery and Equipment *							
4-Year Life		5-Year Life		10-Year Life		15-Year Life		20-Year Life	
Year	Factor	Year	Factor	Year	Factor	Year	Factor	Year	Factor
2015	80%	2015	85%	2015	92%	2015	95%	2015	97%
2014	60%	2014	69%	2014	84%	2014	90%	2014	93%
2013	40%	2013	52%	2013	76%	2013	85%	2013	90%
2012	20%	2012	34%	2012	67%	2012	79%	2012	86%
Prior	10%	2011	23%	2011	58%	2011	73%	2011	82%
		Prior	20%	2010	49%	2010	68%	2010	78%
				2009	39%	2009	62%	2009	74%
				2008	30%	2008	55%	2008	70%
				2007	24%	2007	49%	2007	65%
				2006	21%	2006	43%	2006	60%
				Prior	20%	2005	37%	2005	55%
				Use this Column for Furniture & Fixtures		2004	31%	2004	50%
						2003	26%	2003	45%
						2002	23%	2002	40%
						2001	21%	2001	35%
						Prior	20%	2000	31%
								1999	27%
								1998	24%
								1997	22%
								1996	21%
								Prior	20%

* Examples of Machinery and Equipment corresponding to the 5,10,15 and 20-year life tables can be found on our website.

IRS Depreciation Is Not Acceptable

Calculation Instructions

Select the table to use (i.e.: 5-years, 10-years, etc). Scan down the table until you find the year you purchased the personal property.

The percentage next to the year of purchase should be used to value the personal property. For example, using the 15-year table, property acquired in 2014 at an original cost of \$5,000 would be valued at 90% of cost. The amount to be declared would be calculated as follows: $\$5,000 \times 90\% = \$4,500$

Note: Artwork is to be reported a original cost.

This document is updated annually. If you have any questions as to the filing of your statement, please do not hesitate to contact the Assessing Department at (907) 747-1822.

RECEIVED APR 14 2016

City and Borough of Sitka
Petition for Adjustment of Assessed Valuation
Real Property

Date Filed: April 15, 2016

The deadline for filing an appeal with the Assessor is April 15, 2016. However, appeal of the Board of Equalization, in what is deemed to be unusual circumstances; by unanimous vote may waive this time provision. The Assessor **must be** contacted during the 30 day appeal period.

Parcel Identification No. A-2016-010-000-0000

1. I, Guineisha R. Thigpen Ryan, representing Dal Global Services, LLC
The owner of the above identified property, hereby request the Assessor review the assessment of said property.

2016 Assessed Value:

Land \$ _____ Building(s) \$ _____ Total \$ 87,900 Personal
Property

2. Please answer the following questions for the information of the Assessor and the Board of Equalization in considering this appeal:

- A. What date was the property acquired? _____
B. What was the full consideration/price? _____
C. Did this price include any furniture/ fixtures? If so, List approximate values \$ _____
D. What do you consider the market value?
Land \$ _____ Bldg \$ _____ Total \$ _____
E. Have you ever offered this property for sale? Yes _____ No _____
F. Have you ever received an offer? Price/when _____
G. have you had the property appraised in the past 2 years? \$ _____

3. There is an error or omission on the assessment of this property for the following reason(s):

Dal Global Services rendered a taxable cost
of \$5,475

Print Name: Guineisha R. Thigpen - AgentSign here: Guineisha R. Thigpen Date: 4/15/2016

Appeal No. 2016-03

Findings of the Board of Equalization

Appeal:

Granted _____ Adjusted _____ Denied _____

Adjustment:

Business Personal Property _____ Total\$ _____

I Certify that the Board of Equalization for the City and Borough of Sitka has established the foregoing assessment valuation in this particular case; that the property owner has been duly notified of such board action by copy hereof; that a copy has been furnished to the Assessor for appropriate roll entry.

Signed: _____ Date _____

Clerk, Board of Equalization

I Certify that the action of the Board of Equalization in this case has been recorded on the assessment roll this date,

_____, 2016

Signed: _____

City and Borough of Sitka Assessor

**City and Borough of Sitka
Legal Department
100 Lincoln Street
Sitka AK 99835
Phone (907)747-1821
Fax (907)747-7403**

Memo

To: Mayor McConnell and Assembly Members

From: Robin Schmid, Municipal Attorney

Date: May 2, 2016

Re: Board of Equalization Procedures

These are the legal procedures regarding the Board of Equalization hearings set for Monday, May 2, 2016 at 6:00 p.m. Although many of you already know, for new members, the Assembly sits as the Board of Equalization to hear and decide property tax appeals, and two property tax appeals have been filed this year.

Board of Equalization hearings are different from the other meetings at which the Assembly votes on ordinances and resolutions.

1. **Please do not discuss the issues or merits** of any particular property tax appeal with either the Assessor or any person who has appealed before the Board of Equalization meets. (Those who appeal are called "Appellants.") Following this advice will allow the Board to make decisions based on the record before it. Following this advice will also help prevent the disqualification of the Assembly Member involved or even the invalidation of the decision made by the Board of Equalization.

2. Unlike other Assembly meetings, Board of Equalization hearings are contested adversarial proceedings in which the Appellant taxpayer and the Assessor choose the witnesses, who are subject to cross-examination by the other side. The procedure used in Sitka has been as follows:

- A. Appellant makes presentation, with each witness subject to cross-examination
- B. Assessor makes presentation, with each witness subject to cross-examination
- C. Appellant gives rebuttal of Assessor's presentation (no new evidence)

- D. Assessor gives rebuttal of Appellant's presentation (no new evidence)
- E. Appellant makes closing argument
- F. Assessor makes closing argument
- G. Appellant makes rebuttal closing argument

3. The presiding officer of the Assembly presides over the Board of Equalization. The presiding officer exercises such control over the proceedings as is reasonable and necessary. One duty is to enforce **time limits**, which of course should be announced in advance.

4. Another duty of the presiding officer is to rule on the admissibility of evidence at the hearings. The Board of Equalization is not restricted to the formal rules of evidence used in court, but instead follows rules consistent with general rules of administrative procedure. The rules of evidence in Alaska's Administrative Procedure Act are attached.

5. **The taxing authority has broad discretion in deciding among recognized valuation methods.** The appeal from a determination by a Board of Equalization on an assessment is appealable to the Superior Court. The question for the courts in reviewing a determination on an assessment is "whether there is a reasonable basis for the taxing authority's method." If the court finds such a reasonable basis, to prevail in court the taxpayer must show fraud or the "clear adoption of a fundamentally wrong principle of valuation."

6. **At the Board of Equalization hearing, the burden of proof is on the Appellant.** The only grounds for adjustment of an 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." The Assessor is presumed to have done his job and based it on the best information he can procure. Mathematical exactness is not required.

7. An Appellant appealing an assessment does not need to prove the correct amount, range, or method of valuation. However, the Appellant cannot just say the Assessor is wrong or be critical of the method used, they must present independent evidence themselves. If they manage to do so, the burden then shifts to the Assessor to introduce credible evidence which substantiates the assessment.

8. **The Board of Equalization needs to adopt written findings.** Findings to facilitate review by a court and assist the parties. **The findings should address the arguments made by the Appellant taxpayer and the Assessor, particularly those arguments made by the side that does not prevail. In your packet you will find the Assessor's suggested Findings of Fact.**

I will be present for the hearings, and I will work to assist the Board to prepare those written findings which could be voted on and adopted by the Board at such time as the Board may direct. The Board of Equalization shall certify its actions to the Assessor within seven days of the hearing.

9. If the Board chooses, the Board may deliberate in **executive session** to decide the property tax appeals it hears. AS 44.62.310(d)(1) (Open Meetings Act does not apply to a

governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding). Given that the Board's role resembles that of a panel of judges or a jury, there should be no one else present but members of the Board if the Board elects to deliberate in executive session. If the Board has questions regarding the applicable law, the Board could come out of executive session and request answers from the Attorney in open session.

10. The same members of the Board of Equalization must be in attendance throughout the hearing, and only those members who have been in attendance throughout the hearing may vote on matters before the Board.

RLK/slj

Attachment