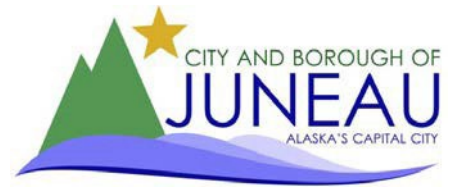


# MEMORANDUM

**DATE:** December 31, 2024  
**TO:** Assembly Finance Committee  
**FROM:** Law Department  
**SUBJECT:** Ordinance 2025-09 Amending the City and Borough Code Relating to Assessing standards of Property Tax.



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Ordinance 2025-09 amends the CBJ code in response to Senate Bill 179 (SB 179) passed by the 33rd Alaska State Legislature in its second regular session and signed into law by Governor Dunleavy on August 13, 2024.

SB 179 increases guardrails on how local governments assess the value of real estate, allows local governments to exempt farm structures from property tax, and outlaws taxes on real estate sales.

The areas of the bill impacting CBJ code are designed to make the property assessment process fairer and more transparent for property owners. Based on the changes to statute in SB 179 the following changes to CBJ code have been made:

- Section 14 of SB 179 amends AS 29.45.110 to require that a municipal assessor have a level 3 certification from the Alaska Association of Assessing Officers (AAAO) or to work under the supervision of an individual with that level of certification. This ordinance modifies CBJC 15.05.010 Definitions, so the duly appointed City and Borough Assessor has at least a level 3 certification from the Alaska Association of Assessing Officers.
- The definition of “full and true value” from AS 29.45.110(a) has been added to CBJC 15.05.010. The reference has been retained and the statute citation corrected at the end of CBJC 15.05.020.
- Sections 12 and 13 of SB 179 require the assessor to determine full and true value according to standards adopted by the International Association of Assessing Officers (IAAO). The phrase “to the extent practicable given the unique characteristics and prevailing circumstance in the City and Borough” has been removed because it creates the ability to diverge from full and true value. The State is at a higher level of government than the City and Borough so when there is a conflict between a statute and a city code the statute controls and preempts the city code. Since the State statute now says “shall”, requiring that the assessor only determine full and true value as provided in the specified standards, CBJ’s language “to the extent practicable...” conflicts with that mandate and is therefore preempted by the new statutory language. For this reason, the language has been removed in the proposed ordinance.
- Based on the changes to State statute in Section 12 and 13 of SB 179, the language in CBJC 15.05.020 was modified to make the assessment at full and true value clearly be consistent with the AAAO and IAAO standards. This change in statute, and corresponding change in CBJ code, provides consistent standards throughout the state.
- Section 15 of SB 179 amends AS 29.45.180(a) to provide an opportunity for all state citizens to meet with their assessor or designee to discuss that person’s property assessment, and that such meetings may be in person, virtual, or telephonic. This language was added to CBJC 15.05.130 to ensure consistency and transparency of an individual’s right to meet with the assessor.
- Section 17 of SB 179 amends AS 29.45.210(b) to remove the ability of the board of equalization to raise the assessment if they find the valuation is too low, unless the appellant requests the assessment be raised. CBJC 15.05.190(c)(5) and (9) were modified accordingly to remove the ability of the Board of Equalization to increase an assessment unless requested by the appellant.

- Section 17 of SB 179 also added language that if the appellant provides a long form fee appraisal to support their valuation and the board of equalization does not find in the appellant's favor, the board must make specific findings on the record to support that decision. A long-form fee appraisal is a comprehensive report that provides detailed analysis of a property's value. The amended language is designed to require a Board of Equalization to state with specificity on the record why they rejected such evidence. The proposed ordinance adds this requirement to CBJC 15.05.190(c)(9).
- Section 3 of SB 179 amends AS 29.45.050(m) to remove the limitation on exemptions for municipal school districts. The corresponding language was removed from CBJC 69.10.023(g) in the proposed ordinance.