

November 13, 2023

Mayor, City of Nome  
Governing Body, City of Nome  
Nome, Alaska  
VIA email

RE: Draft Amendment Ordinance City of Nome Codebook of Ordinances, Chapter 17.20 Property Tax

Honorable Mayor and Governing Body, City of Nome:

I am proposing an amendment to the City of Nome Codebook of Ordinances, Chapter 17.20 Property Tax. Enclosed with this letter is a draft amendment ordinance to this chapter. I am seeking support and a council member to sponsor and move this amendment forward for discussion and a vote.

Quyana,

Lena M.  
Nome Resident

1<sup>st</sup> Reading:

2<sup>nd</sup> Reading:

Presented By:

City Clerk:

CITY OF NOME  
ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 17.20 PROPERTY TAX

WHEREAS, the City of Nome assesses for, levies, and collects property tax (NC 17.20.010; AS 29.45.010).

WHEREAS, the City of Nome Common Council may by ordinance establish advisory, administrative, or technical boards (NC 29.30.020).

WHEREAS, the City of Nome Common Council sits as the Board of Equalization (NC 17.20.060).

WHEREAS, the City of Nome Common Council shall use ordinances to set procedures or processes for departments, boards or commissions; and provides for the levying of property taxes (AS 29.25.010).

WHEREAS, 169 to 200 property tax payers appealed their 2023 property tax assessments.

WHEREAS, the Board of Equalization was not provided details on how property tax appeals were resolved and what method was used to reduce or increase property tax assessment amounts (BOE Meeting 5/31/23).

WHEREAS, the Board of Equalization during its meeting to hear appeals asked questions of the assessor on how property tax assessments were calculated for property (BOE Meeting 5/31/23).

WHEREAS, an ordinance may be introduced by a member or committee of the governing body, or by the mayor or manager (AS 29.25.020).

IT IS HEREBY ORDAINED BY THE CITY COUNIL OF THE CITY OF NOME:

**Section 1. Amendment of section 17.20.010** Section 17.20.010 of the Code of Ordinances of Nome, Alaska is hereby amended to read as follows [additions are underlined, deletions are overstruck]:

**17.20.010 Property taxation**

(a) Unless otherwise provided in this chapter, the city shall assess for, levy and collect real property tax and personal property tax and enforce personal property tax in accordance with Alaska statues. The city shall enforce delinquent real property tax liens through foreclosure proceedings conducted once every two years. (Ord. O-93-6-6 1 (part), 1994)

(b) Assessor shall assess property at its full and true value as of January 1 of the assessment year. This is the estimated price a property would bring in an open market in its current state (AS 29.45.110).

(c) The full and true value for property will be assessed by one or all of these methods:

(1) Researching what similar properties have sold for or are selling for (sales comparison),

(2) Determining what would be the cost to replace the property (cost approach),

(3) If a rental property, assessors will estimate rental income less operating expenses and compare income to similar properties.

(d) The assessor will collect and use the following characteristics to assess a property's estimated value.

(1) (A) Amount of land

(B) Location of property

(C) Condition of property

(D) Number and size of improvement(s)

(E) Quality of improvement(s)

(F) Square footage of property

(G) Additions, such as garage, storage shed, and so forth

(H) Factors affecting value (flood zone, easements, etc.)

(d) Assessor will communicate how a property's assessment value was assessed to the Board of Equalization and the property owner. And as appropriate share applicable tools used.

(e) In progress construction projects will be assess by

(1) Estimating property value when construction is completed by one or all of these methods: comparison to other similar properties, total cost to build, or income assessment methods.

(2) Determining what work remains to be completed and if necessary consult with a construction contractor or review construction plans.

(3) The amount/percentage of work that remains to be completed will be subtracted from the estimated property assessment = property assessment.

(f) Completed home renovations will be assessed by adding the original or pre construction property assessment amount to the total cost of renovated construction or how much value the addition added to the property assessment.

Example:

2000 Property Assessment, pre construction, \$80,000

2010 Property Assessment, post construction, \$80,000 + cost of renovation or value of addition

**Section 2. Amendment to section 17.20.020 Exemptions** Section 17.20.020 of the Code of Ordinances of Nome, Alaska is hereby amended to read as follows [additions are underlined, deletions are overstruck]:

### **17.20.020 Exemptions**

(a) The following property is exempt from general taxation:

(1) All property required to be exempted by state and federal law, including, but not limited to property identified in AS 29.45.030;

(2) Household furniture and personal effects of members of a household;

(3)(A) Improvements to existing structure of real property, interior and exterior of property, if an increase in assessed value is directly attribute to new maintenance, repair, or renovation of an existing structure and if the maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. The increase in assessed value is the pre construction property value minus the

post construction property value. The total increase in assessed value will be used to calculate the exemption amount.

100% Of the initial increase in assessed value of improvement is calculated as pre-construction/pre-improvement assessment value minus post-construction/post-improvement assessment value = \$ total exemption amount

Example: \$100,000 post-construction/post-improvement assessment  
- \$ 80,000 pre-construction/pre-improvement assessment  
Total exemption \$20,000 increase initial assessed value

75% Of the initial increase in assessed value of the improvement is calculated as \$total exemption amount multiplied by 75%

Example: \$20,000 increase initial assessed value  
Multiplied by 75%  
Total exemption \$15,000

50% of the initial increase in assessed value of the improvement is calculated as \$total exemption amount multiplied by 50%

Example: \$20,000 increase initial assessed value  
Multiplied by 50%  
Total exemption \$10,000

25% of the initial increase in assessed value of the improvement is calculated as \$total exemption amount multiplied by 25%

Example: \$20,000 increase initial assessed value  
Multiplied by 25%  
Total exemption \$10,000

No exemption may be allowed under this subsection for the construction of any improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy for nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection shall continue for four years from the date the improvement is completed or from the date of approval for the exemption by the assessor, whichever is later; provided, however, that the same exemption shall extend to one hundred percent of the initial increased assessed value of the improvement during the first year, only seventy-five percent of the initial increased assessed value of the improvement during the second year, only fifty percent of the initial increase assessed value of improvement during the third year, and only twenty-five percent of the initial increase assessed value of the improvement during the fourth year.

(B) The property owner will be notified of exemption opportunity when a building permit is submitted to the city office/city clerk.

(d)(11) (E) Application Procedure.

(vi) Applicant will be notified that the exemption application has been received, the exemption amount granted if determined eligible, if exemption amount is not granted the eligibility determination, and how applicant may appeal the calculated exemption amount or the denial of the exemption.



(vii) Exemption applications received after the deadline will not be considered or presented to the BOE, unless the submission of the application in a timely manner is out of the control of the applicant. The chair of the BOE will make the determination if a situation is out of the control or the applicant.

**Section 3. Amendment to section 17.20.050 Appeals** Section 17.20.050 of the Code of Ordinances of Nome, Alaska is hereby amended to read as follows [additions are underlined, deletions are overstruck]:

### **17.20.050 Appeals**

(c) The assessor shall notify all applicants by mail, not by telephone, voice message or email, of the time and place of their hearing. The Board of Equalization will confirm notice was provided to the appellant(s). If the appellant(s) appeal time and place is rescheduled by the assessor or the Board of Equalization, the assessor and or city clerk shall contact the appellant(s) of the new time and place via telephone and speak with the appellant. The updated BOE agenda will be sent or inform appellant the agenda is updated at the City of Nome's website.

(d) The assessor will provide a summary of how each appeal was resolved to the Board of Equalization prior to and or at the hearing in written format. The adjustment recalculation or calculation to the property assessment will be included. (AS 29.45.190)

(e) At the Board of Equalization meeting the board shall review the appeals application to determine if written information was provided to show unequal, excessive, improper or undervaluation by the appellant. Written information in the application may be shown as proof, such as comparison of properties sold, comparison of property valuations, cost of construction, etc. The appellant is not a property assessor and will not be required to provide an estimated property assessment amount unless the property owner is provided the tools used by the contracted assessor to assess the property and the assessor would be available to answer any questions from the appellant. The appeal is not about the tax assessment itself but how the assessment value is unequal, excessive or improper.

(f) The contracted assessor and or city clerk shall not recommend to the taxpayer to seek a property appraisal completed by a licensed realtor in order to resolve property tax assessment appeals.

(g) The appeals application may show excessive, unequal or improper valuation utilizing the cost approach, sales comparison or income approach which is written in the application or as addendum to the application.

**Section 4. Amendment to section 17.20.060 Board of Equalization** Section 17.20.060 of the Code of Ordinances of Nome, Alaska is hereby amended to read as follows [additions are underlined, deletions are overstruck]:

### **17.20.060 Board of Equalization**

(b) The Board of Equalization (BOE) may make determinations recommendations for amendments to the City of Nome Codebook of Ordinances chapters and sections on property tax based on necessity and to provide clear directions and information on how property is assessed to the city property taxpayers, city administration and contracted assessors. The BOE will direct the city clerk on amendments to be made to code and present at a city council meeting.

**Section 5. Amendment to section 17.20.070 Hearing** Section 17.20.070 of the Code of Ordinances of Nome, Alaska is hereby amended to read as follows [additions are underlined, deletions are overstruck]:

### **17.20.070 Hearing**

(d) When an appeal is set aside for further deliberation by the BOE, the appellant will be notified by telephone, no voice message, or in person by the assessor or city clerk, and the city clerk will email the updated BOE meeting agenda showing the time/date when the appellant appeal will be revisited or reconsidered or refer the appellant to the city's website for an updated agenda.

**Section 6. Amendment to section 17.20 Property Tax** Section 17.20 of the Code of Ordinances of Nome, Alaska is hereby amended to read as follows [additions are underlined, deletions are overstruck]:

**17.20.150 Definitions**

(a) Excessive assessment: A tax assessment that is grossly disproportionate as compared with other assessments. In such assessments, assessed value exceeds the full value of the property.

( ..... )

PROVIDE example

(b) Unequal assessment: When properties with similar characteristics in a geographic boundary are not appraised uniformly. The higher percentage of value than the average of all other properties on the same assessment roll. ( ..... )

PROVIDE example

(c) Improper or under/over valuation assessment: A property valuation that is inaccurate or misleading.

PROVIDE example

**Section 7. Effective Date.** This ordinance is effective upon passage.

APPROVED and SIGNED the \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk