

May 6, 2022

Nome City Council
Nome, AK 99762
VIA email bhammond@nomealaska.org

RE: Frustration with Property Tax Assessment and Exemption Process; and
Request Improvements/amendments to Property Taxes Chapter, Codebook of Ordinances

We are writing to share our frustration with the property tax assessment procedures, the municipal general tax exemption application process, and our interaction with the city and city's assessor.

As a result of our experience, we are requesting:

- 1) amendments be made to the city codebook of ordinances by clearly and concisely stating the procedures for property tax assessment appeals and general taxation exemption application procedures; and
- 2) to include an instruction sheet that is mailed along with the property tax assessments and general taxation exemption application.

Here is our story: The renovation on our family's home was completed in late 2021 and we moved in days before that Christmas.

For the 2020 property tax year, the tax on our unfinished home increased from \$75,400 to \$224,600. We were not yet living in the home and the home was still under construction. We did not meet the deadline for the appeal and paid the increase in taxes.

For the 2021 property tax year, we filled out an appeal and during this process we found out about the exemptions for home improvements. A question was presented in our appeal on how to file for this exemption. There was no response or contact from the city or assessor on this question. We followed up via email and we were told we missed the deadline. If remembered correctly we were told the assessor is responsible for this application.

For the 2022 property tax year, we filled out the application for municipal tax exemption.

The tax assessment roll was received which showed the tax exemption amount. We disagreed on the amount based on our reconciliation of the exemption amount percentages.

As it is an application or request that was filled out, an assumption was made by us that we can find out more on how this amount was determined and find out what we need to do to have the amount re-evaluated. The assumption that it is an application was wrong. It is not an application as say applying for something that would require communication on the status of the application and what needs to happen if we disagree with the result (i.e. applying for a PFD, applying for a license) We received no notification or had any communication or any contact with the city on the approval or disapproval or a request for any additional information.

During the 2022 appeal process for two items on our property tax assessment, we inquired with the assessor about the tax exemption amount and were told that it is done by the city.

We emailed both the city clerk and the assessor about the tax exemption amount. The clerk provided information on how the tax exemption was valued and that the \$50,000 exemption is estimated high and the clerk came up with this himself. The reason for this: the improvement to the entire house was not included in the valuation only the exterior which is at 2% based on the assessor's tax table. In addition, the clerk cited from the code "(3) Improvements to real property, if an increase value is directly attributable 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 clerk determined that the entire renovation is not attributable to the exemption and that the only part of the renovation to consider for the exemption is the exterior or appearance of the structure. This is not how we interpret this section. The key word is AND.

Improvements attributed to an increase in value AND this improvement when completed enhances the appearance. First, the improvements increased the value and second, the improvements enhanced the appearance. There is no distinction between exterior and interior improvements.

The information on the municipal tax exemption application procedures is important to know when the tax assessment roll is sent to property tax payers. It is important for property tax owners to understand and for the city to state that: tax payers will not be notified of approval, disapproval or a request for additional information of the tax exemption application, there will be no acknowledgment or receipt of the application, and the municipal tax exemption application is not an application and if you disagree you must appeal this amount as you would appeal property tax amounts. Communication will really help the public.

The last three years have been frustrating and requires knowledge of the city's codebook on property taxes. Yes, the responsibility is on the tax payer to provide documents, etc. But the city/governing body has a responsibility to ensure the public is provided the information, the procedures are clear, provide prompt responses to questions, and to serve the public. We have asked questions to the clerk and assessor and have been told we've either missed the deadline or it's the other person's responsibility.

The property tax assessment process is not working, at least for us, as the procedures are not clear. Please either 1) amend the chapter in the codebook on property taxes and/or 2) provide instructions for the tax exemption application, the property tax assessment roll on how to file an appeal, and the role and responsibilities of the city staff and city assessor.

Thank you,

John Bockman
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