

What you've always wanted to know about Property Valuation, Assessments & Property Tax



COURTESY OF THE FNSB ASSESSORS OFFICE

The intent of this booklet is to provide answers to frequently asked questions regarding real property assessment and tax. For questions concerning property values, exemptions, ownership records, etc. call the ASSESSING DEPARTMENT at 907-459-1428.

For additional Assessing information visit the FNSB website at: www.fnsb.us

Table of Contents

The Assessing Department.....	1
Key Functions	1
Exemption Programs Available	2
What is Real Property?.....	2
Who determines Property Value?	2
What is an appraisal?	2
How is an assessment different from an appraisal?	3
Are assessment records available?	3
What is an Assessment Notice?	3
What is the Residential Exemption?	4
What if I didn't receive my Assessment Notice?	4
What if I think my assessed value is incorrect?	4
What if you and the Assessor cannot agree on the valuation?	4
What is the Board of Equalization?.....	5
What is my responsibility when appealing?	5
What if I do not agree with the board findings?	5
How is the value of the tax base found?.....	5
How is the property tax determined?.....	6
What is a mill?.....	6
What is a mill rate?	6
Who decides what the mill rate will be?.....	6
How is the mill rate decided?	6

Title/Ownership 7

- How do I add or remove an owner from a parcel? 7
- I was recently married, how do I change my name? 7
- I was recently divorced, how do I change my name? 7
- My parents died, how does it change ownership? 7

Treasury & Budget Department 8

- When can I expect to receive a property tax bill? 8
- When are taxes due? 8
- What are the late fees if taxes are not paid on time? 8
- What if you refuse to pay the tax levied? 8
- What is a lien? 9
- How long is the statutory redemption period? 9
- What if the taxpayer hasn't redeemed the property? 9

Additional Information 10

Informational Facts 11

Annual Assessment/Tax Calendar 12

The Assessing Department

The Fairbanks North Star Borough Assessing Department is responsible for assessing the value of all properties within the Borough boundaries, and administering all State and Borough exemptions as set forth in State Statutes and Borough Code.

The goal of the Assessing Department is to 1) administer a property assessment that is fair, uniform and equitable to assure everyone is taxed equally; that is, that no one pays more or less than their fair share of tax and 2) provide accurate, up-to-date information about assessment and related property matters.

Key functions of the Department are to:

- ▶ Identify all taxable property within each taxing jurisdiction.
- ▶ Inventory the quantity, quality, and important characteristics of all taxable property.
- ▶ Accurately estimate the market value of each property.
- ▶ Calculate the assessed value(s) for each property.
- ▶ Prepare and mail annual assessment notices.
- ▶ Prepare and certify the official Borough assessment roll.
- ▶ Administer the various exemption programs.
- ▶ Maintain property records.
- ▶ Respond to inquiries regarding methods and values, Governing Laws and Regulations.

WHAT EXEMPTION PROGRAMS ARE AVAILAIBLE?

- Owner-occupied **residential exemption**, 20% or \$20,000 off of the appraised value, whichever is less. *If the property lies within a Road Service Area, up to \$10,000 of the ‘up to \$20,000’ is taxable at the Road Service mill rate.
- **Senior Citizens** 65 years of age or older, up to \$150,000 off of the assessed value.
- **Disabled Veterans** with a 50% or more disability rating from the VA, up to \$150,000 off of the assessed value.
- **Farm Use** Lands actively engaged in for profit agriculture.
- 2% exemption for approved **fire protection systems**.
- **Non-profit exemption** on property used exclusively for religious, charitable, cemetery, hospital or educational purposes.
- Additional residential exemption for **Volunteer EMS/Firefighters**. 20% or \$10,000 off the assessed value, whichever is less.
- Military non-resident personnel residing in a mobile home.
- Community Purpose Exemptions

WHAT IS REAL PROPERTY?

Real Property means land improvements, all possessory rights and privileges appurtenant to the property, and includes personal property affixed to the land or improvements (AS.29.71.800).

WHO DETERMINES THE PROPERTY VALUE?

The Borough Assessor and his/her staff of Certified Appraisers.

WHAT IS AN APPRAISAL?

An appraisal is an “estimate” or “opinion” of value. It is the appraiser’s judgment as to the full market value as of a specific date (the dollar amount the property would sell for if there is a willing buyer and willing seller), and is based on the best data available to the appraiser at the time of the appraisal.

WHAT IS AN ASSESSMENT AND HOW DOES IT DIFFER FROM AN APPRAISAL?

The terms “appraised value” and “assessed value” are often used interchangeably. Though sometimes equivalent, the appraised value reflects the full and true market value, while the assessed value represents the value that taxes are levied against after approved exemptions have been deducted. In Alaska, state law requires that property be appraised at 100% of market value as of January 1st of the tax year. It should be pointed out that since the assessor’s office is appraising a very large number of properties, the assessed value should be scrutinized carefully by the property owner to assure value estimates are reasonable.

ARE ALL INDIVIDUAL REAL PROPERTY ASSESSMENT RECORDS ACCESSIBLE?

Yes. Assessment records and certified assessment rolls are considered public records and are available to anyone wishing to view them.

WHAT IS AN ASSESSMENT NOTICE & WHEN CAN YOU EXPECT TO RECEIVE ONE?

A real property assessment notice is a statement of value for a particular property. When you receive a Fairbanks North Star Borough Assessment Notice, you will note that the upper portion of the notice states the current year valuation of land and improvements and contains a historical table showing the appraised values of the property for the last five years. **Assessment Notices are mailed near the end of January every year.**

WHAT IS THE RESIDENTIAL EXEMPTION AND HOW DO I APPLY FOR ONE?

The bottom half of the assessment notice is the Residential Exemption Application. On the lower left of the application is a pre-approved box indicating what exemptions the property is currently receiving. If you are not receiving a Residential Exemption and are qualified for one, the lower portion of the Assessment Notice is a detachable residential exemption application that should be signed and returned to the Borough Assessor before the March 31st deadline. **Residential exemption applications are mailed with the assessment notices near the end of January every year. *PLEASE NOTE: State Exemptions such as Senior Citizen, Disabled Veteran, Widow/Widower & Irving Hernandez must be filed in person at the Assessing office.**

WHAT IF YOU DIDN'T RECEIVE AN ASSESSMENT NOTICE?

Call the Borough Assessing Department immediately at 907-459-1428.

WHAT IF YOU RECEIVE YOUR ASSESSMENT NOTICE AND THINK YOUR ASSESSED VALUE IS INCORRECT?

Call the Assessor's office IMMEDIATELY. There may have been an error on your notice or the Appraiser may not have been aware of relevant change to your property. If you have documentation or information to prove that a correction should be made in the values of your property please provide that information to the Appraiser. Changes or adjustments can be made 30 days from the mailing date of the Assessment Notice.

WHAT IF YOU AND THE ASSESSOR CANNOT AGREE ON THE VALUATION?

Then you may appeal to the Board of Equalization. Appeal forms are available at the Borough Assessing Department.

WHAT IS THE BOARD OF EQUALIZATION?

The Board of Equalization (BOE) is made up of five regular members, plus two alternates, appointed by the Mayor and confirmed by the Assembly. Appointments are based on the member's expertise in property appraisal, real estate and construction related fields. It is the duty of the Board to hear appeals, determine equalization and adjust assessments when applicable.

WHAT IS YOUR RESPONSIBILITY WHEN APPEALING TO THE BOARD OF EQUALIZATION?

If you choose to appeal you will bear the burden of proof, meaning it will be up to you to provide proof that the value set by the Assessor is unequal, excessive, improper or undervalued. By law, the Board must support the Assessor's valuation, unless otherwise proven by the property owner.

To appeal your valuation you will need to; 1) obtain an appeal form from the Borough Assessor, 2) complete the form and attach all documents to substantiate the claim, 3) return the form to the Assessor no later than 30 days from the mailing date of your assessment notice. Failure to do so will extinguish your right to appeal. An attorney or a field expert may represent you if you wish, but is not required.

WHAT IF YOU DO NOT AGREE WITH THE BOARD FINDINGS?

If you do not agree with the Board of Equalization (BOE) decision, you can appeal to the Superior Court. The Superior Court trial will be based on information presented to the BOE. Therefore, it is important to follow due process and, at the time of the BOE hearing, present all relevant evidence for consideration.

HOW IS THE VALUE OF THE TAX BASE FOUND?

The value of the tax base is found by adding up the assessed value of all taxable property within the Borough boundaries.

HOW IS THE PROPERTY TAX DETERMINED?

Real property tax is determined by multiplying the assessed value of the property by the mill rate. In other words, Assessed Value X Mill Rate = Taxes.

WHAT IS A MILL?

A mill is a monetary unit equal to 1/1000 (one thousandth) of a U.S. dollar, or 1/10 (one-tenth) of one cent. It is commonly stated as \$1,000 of tax per \$100,000 of assessed value.

WHAT IS A MILL RATE?

A mill rate is just the “number of mills” each individual property is to be assessed, or charged, per dollar value of the property. For example, if your mill rate were 20 mills, you would pay two cents per every dollar of assessed value or \$20.00 for each \$1,000 of assessed value.

WHO DECIDES WHAT THE MILL RATE WILL BE?

Your Borough Assembly decides what the mill rate will be as a part of their annual budget.

HOW IS THE MILL RATE DECIDED?

1st the Assembly decides how much money (revenues) will be needed to run the Borough, by proposing a balanced budget.

2nd the Assembly decides how much other revenues will be received from other sources, like sales tax, grants, user fees, interest and other sources.

3rd the Assembly does the math: #1 - #2 = property tax needed. The additional amount needed is then raised by levying and collecting a property tax.

4th to figure the mill rate, the extra amount of money needed for the budget will be divided by the tax base.

Title/Ownership

HOW DO I ADD OR REMOVE AN OWNER FROM A PARCEL?

A document such as a Warranty Deed or a Quitclaim Deed would need to be recorded at the State of Alaska, Division of Natural Resources, District Recorder's Office in order to change the records with our office.

I WAS RECENTLY MARRIED HOW DO I CHANGE MY NAME?

A document such as a Warranty Deed or a Quitclaim Deed would need to be recorded at the State of Alaska, Division of Natural Resources, District Recorder's Office in order to change the records with our office.

I WAS RECENTLY DIVORCED HOW DO I CHANGE MY NAME?

You could supply our office with a copy of the Certificate of Name Change signed by the Judge or Clerk of Courts or a document such as a Warranty Deed or a Quitclaim Deed could be recorded at the State of Alaska, Division of Natural Resources, District Recorder's Office in order to change the records with our office.

MY PARENT DIED HOW DOES IT CHANGE OWNERSHIP?

A document such as a Representative's Deed is typically recorded to convey interest from the Estate of the deceased to another party.

DISCLAIMER:

If you need assistance to complete a deed we are unable to give you legal advice. Please call a Title Company or an Attorney for more information.

As a courtesy we have included information on the Treasury & Budget Department. Should you have further questions concerning taxes, please contact the Treasury & Budget Department at 907-459-1441.

Treasury & Budget Department

WHEN CAN YOU EXPECT TO RECEIVE A PROPERTY TAX BILL?

Real Property Tax Bills and Mortgage Notices are prepared and mailed by the Fairbanks North Star Borough Treasury and Budget Division on or before **JULY 1st** of each year.

WHEN IS TAXES DUE?

You have an option of paying the taxes in full upon receipt of the tax bill on July 1st OR make timely payments as follows:

1st installment is due on the first business day in September

2nd installment is due on the first business day in November

WHAT ARE THE LATE FEES IF TAXES ARE NOT PAID ON TIME?

If your property taxes are delinquent you will be charged up to a 5% penalty and an annual simple interest rate of 8% on the taxes due. If a delinquency continues beyond the normal collection period, your tax account could incur additional fees such as advertising fees, legal fees and administrative costs.

WHAT IF YOU REFUSE TO PAY THE TAX LEVIED?

The Borough places a lien against your property for the amount of tax owed. The lien includes any interest, penalties and administrative costs charged because of lack of payment.

WHAT IS A LIEN?

A lien is a judgment against the property that can be collected by foreclosure and sale of the property.

HOW LONG IS THE STATUTORY REDEMPTION PERIOD?

Duration of the redemption period is one year after a judgment has been recorded. The taxpayer has redemptive rights during this period and can reclaim the property by paying the original tax, all penalties, interest and costs that the Borough has incurred due to nonpayment.

WHAT IF THE TAXPAYER HASN'T REDEEMED THE PROPERTY BY THE END OF THE REDEMPTION PERIOD?

At the end of the redemption period the Borough will take legal action to secure a tax deed for all properties subject to foreclosure. The Borough will hold a Tax Foreclosure Sale for all properties not repurchased. The Borough may choose to hold or use the property for public use. If the property is sold or the Borough retains the land, the taxpayer forfeits all rights of ownership.

WHO DO YOU ASK FOR MORE INFORMATION?

- ▶ For additional property information visit the FNSB website at: www.fnsb.us
- ▶ For questions concerning property tax, foreclosure, etc. call the TREASURY & BUDGET DEPARTMENT at 907-459-1441.
- ▶ Questions unable to be answered by local officials may be directed to the Department of Community & Economic Development, Office of the State Assessor at the following address:

**STATE ASSESSOR
DCED/DCBD
550 W 7th Ave STE 1640
Anchorage, AK 99501-3510
(907) 269-4605**



INFORMATIONAL FACTS

- The capital system of taxation, commonly called property tax, is the way by which local property owners cooperatively contribute to the cost of public services.
- Providing public schools, roads, fire protection, police protection, public parks, etc., enhances the overall desirability of an area for homes, business, and recreation.
- Public services cost money. For example, we all pay for public schools, roads, fire protection, police protection, parks, and other public services. All residents of a community share these.
- Property taxes are one method of collecting revenues to pay for services we all enjoy.
- Property tax is measured by property value and not by the financial circumstances of the owner.
- Simply stated, property tax is a liability of the property as compared to an income tax, which is a liability of a person.

ANNUAL ASSESSMENT/TAX CALENDAR

JANUARY	Assessed values are set as of January 1st . Assessment notices are mailed towards the end of January .
FEBRUARY	The entire month of February is the appeal period. (30 days from the mail date of the Assessment Notice). Typically, the deadline to appeal property value is by the end of February.
MARCH	The deadline to apply for exemptions is March 31st at the end of the business day. This includes: Residential, Senior Citizen, Disabled Veteran, Volunteer EMS/Firefighter, Non Profit Exemptions.
APRIL-MAY	Board of Equalization Assessment Appeal Hearings.
MAY	Farm use Exemption deadline MAY 14th . Low Income housing tax credit properties deadline May 14th .
JUNE	Certify tax roll by June 1st . Deadline for setting the mill rates is June 15th .
JULY	Tax Bills are mailed by July 1st .
AUGUST	
SEPTEMBER	1st installment is due on the first business day in September & delinquent on the second business day in September
OCTOBER	
NOVEMBER	2nd installment is due on the first business day in November & delinquent on the second business day in November
DECEMBER	

