

ANNUAL REPORT ON ASSESSMENT AND TAXATION

2020 INSTRUCTIONS

State of Alaska
Department of, Commerce, Community and Economic
Development Division of Community & Regional Affairs
Office of the State Assessor
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Phone # 269-4565

These instructions have been assembled to aid municipal officials in preparing an accurate and consistent Annual Report on Assessment and Taxation. We realize that filling out this report can sometimes be confusing, and we do appreciate the time and effort that goes into the completion of the report. If you have any suggestions that may improve either the report or these instructions, please let us know.

It should be noted that each taxing jurisdiction in Alaska is unique, and it is impossible to develop one report that can perfectly accommodate everyone. Therefore, you may find some sections of this report that do not apply to your municipality. If this is the case, state so in the report. Please answer each question as completely and as accurately as you can. Please keep in mind that questions left blank can cause confusion when the report is reviewed by this office.

One of the main purposes of this report is to measure the potential tax bases of local municipalities. Therefore, for the most part, the report requests only information on property that is taxable under state law. Property that is mandatorily exempt under state law, such as the first \$150,000 of value for a qualifying Senior Citizen or Disabled Veteran and all other property exempt under AS 29.45.030 and AS 29.45.060, should not be included anywhere in this report. The only values that will appear on this report are the values that were actually assessed and any optional exemption amounts that were applied.

For example if a home has an appraised value of \$300,000, a senior exemption of \$150,000 and an optional exemption of \$20,000, it would have a taxable value (assessed value) of \$130,000. For purposes of this report, only the \$20,000 optional exemption and the \$130,000 taxable value would be reported in the locally assessed values. The \$150,000 mandatory exemption for the house will be included in the Senior Citizen and Disabled Veterans Exemption Report portion of the main Annual Report.

Also omit any values for state assessed oil and gas properties (AS 43.56). These properties are assessed by the State Petroleum Property Assessor and they will be noted in the Full Value Determination here at the Office of the State Assessor. If you include the value of oil and gas properties in your data, these values will be counted twice.

We are providing an expanded form of the report in Microsoft Excel. It is strongly recommended that you save a copy of the finished Excel report for future use in case needed. The new Excel format allows you to complete your report in Excel and e-mail the finished product which will afford this office greater efficiency in processing the information. It also allows Excel to automatically calculate totals, sub-totals and check the data for consistency so that you do not have to enter such data manually.

The Excel format of the report is mandatory; however you may make and send a pdf copy in addition to the Excel submission if you desire. Please sign the certification page and send a separately scanned copy, or sign it electronically within the Excel report.

OSA is no longer requiring Annual Reports for cities within boroughs.

Govt. Type

Unified or Home Rule Boroughs
Cities outside boroughs
Non-Unified Boroughs

Required Report(s)

One (1) Annual Report
One (1) Annual Report
One (1) Annual Report (borough)

Within this Excel report are various Excel worksheets, which will be referred to by the name of the tab in the report. The Excel format also incorporates “comments” on most cells that may require extra detail on the type of data required. By holding your cursor over a specific cell, a comment box will appear that will provide specific instructions or further information on the data that is required. Cells containing a comment are indicated by a red triangle in the top-right corner. Please contact this office if you still have questions or need further assistance in completing this report.

Also added to this report is a Proof page. This page provides eight mathematical checks on the data contained in your report. It attempts to ensure that the reported values for exemptions and values for personal property and real property are consistent throughout the report. Due to rounding and other issues, this page may not work in your specific case; however, it should prove beneficial in the majority of cases. Note that even with correct data, the Proof page formulas will show “ERROR” results until all of the pages are filled out completely.

Please make note of the following suggestions while completing the report:

- Don't use abbreviations for phrases (e.g., NA for Not Available) as this can be

confused with Not Applicable and can result in a big difference in annual report values.

- Certify and date your report and return it to us by the first working day of July.
- Sales used in the "Sales Ratio Report" should be trended to January 1st of the assessment year. An overall ratio should be developed for your municipality. Please report ALL SALES DATA. Report which sales, if any, were excluded. Sales should not be trimmed merely because of an outlier ratio; OSA will uniformly trim sales at the state level. Any statistical sales data you may have would be appreciated, including coefficient of dispersion (COD)

If you do have any inquiries or doubts about completing the report, don't hesitate to call the State Assessor's Office at 269-4565.

DETAIL INSTRUCTIONS BY PAGE

CERTIFICATION PAGE

This is the Certification Page; it must be signed and dated by the Assessor or Contract Assessor and the Clerk or Administrative Officer responsible for filling out the form.

ASSESSMENT DEPARTMENT

This page summarizes the activities of the local assessment office. It is intended to provide our office with information on assessing functions statewide which will enable us to report staffing levels and to measure various assessment costs.

Budget: If your municipality does not maintain its own assessment department and contracts this function, please include the contract amount for the CURRENT YEAR on the budget line.

Number of Appraisers: **The assessor should not be included with these numbers.** If you have staff members that only work part time in particular function, so state (e.g., 4.5 real property appraisers, 2.5 personal property appraisers).

Assessment Cycle:

- 1.) We are looking for the period of time over which all parcels are physically measured and inspected. If each parcel in your taxing jurisdiction is physically measured and inspected each year, answer 1 year. If you inspect systematically area by area or, by types of property over a period of years, then answer over what time period all properties is inspected.
- 2.) We are asking for how many real property accounts were physically inspected in the previous year.
- 3.) We are asking for how many personal property accounts were physically inspected in

the previous year.

Calendar of Events: These blanks are intended to provide us with details we are frequently asked by the public. We are attempting to expand the use of Alaska Taxable and these questions are somewhat common. Please call if you have any questions.

STAFF CONTACTS

Rather than make another annual request for this data, it was suggested that it be added as an addition to the basic annual report. **This contact information is for AAAO members only.** Please enter the requested data exactly as specified. This data will be provided to the AAAO to update and maintain AAAO member contact information.

MUNICIPAL MILL RATE SHEET

The purpose of this sheet is to obtain a breakdown of the components of municipal mill rates. Row 5 of this worksheet shows an example of how this page should be filled out. “Areawide Education” and four other columns are provided to track the components of the overall millage rate.

Please note the question on property tax caps and the residential property tax exemption.

If you need additional space to answer this question, attach a separate page.

OPTIONAL EXEMPTIONS AND EXCLUSIONS

Please review AS 29.45.050 and check the various Optional Exemptions that are available in your municipality. If your municipality has adopted any of these exemptions through local ordinance, the actual or estimated value of those exemptions should be summarized on this page of the Annual Report. Please indicate whether the values you report for these optional exemptions are actual or estimated. The most commonly adopted optional exemptions available under AS 29.45.050 are listed for you, however, this list is not all inclusive. **Other exemptions granted by your municipality should be identified by statute** and valued separately in the space provided. The value of these exemptions will be added to your Full Value Determination by our office.

“RP-Optional” provides space for the most common types of Optional Exemptions allowed for Real Property. “PP-Optional” provides spaces for the most common types of Optional Exemptions for Personal Property.

In 2015 a new Excel worksheet was added to assist municipalities in calculating the optional exemption amount for RNHA properties that are exempted under AS 29.45.050(l). This worksheet is located on the tab labeled “RNHA”. This worksheet applies only to properties where the home is being transferred under a long-term sales contract. While this is a **mandatory** portion of the Annual Report, it is not mandatory that you use this worksheet. However this worksheet should make the calculation of this exemption much easier and efficient. Instructions on how to use the spreadsheet are provided on the worksheet itself.

SR DAV Report

The Senior Citizen and Disabled Veterans Exemption report has been added to the Annual Report form. As this information is already available when filing the Annual Report, it should be easy to compile the data with the Annual Report and saves the extra work of requesting this information in September as an additional filing.

TAX ROLL BY AREA

For Boroughs, one of these pages should be completed for each incorporated city within the Borough and another sheet should be provided for all property not located within an incorporated city. For Cities, only one sheet that includes the entire city is required. It should include a breakdown of all optionally exempt and locally taxable property by property classification. Do not include any value on this page for property that is mandatorily exempt under state law. **Again, do not include the value** of Senior Citizen/Disabled Veteran homeowner exemptions. Keep in mind that values reported on these pages will be included in your municipality's Full Value Determination. **Also note that a breakdown by land and improvement value is no longer required on this page.**

TAX ROLL BY CLASSIFICATION

Value of Optionally Exempt Real Property

Please supply the actual or estimated value of all OPTIONAL EXEMPTIONS for the real property classifications listed in this section. The values that you enter here, when combined with other optionally exempt values reported for other service areas or tax zones, should equal the optional exemption totals that you have reported for Real Property exemptions. These values will be included in your Full Value Determination.

Actual Taxable Real Property Value

This column of figures represents your actual local taxable value by area for each real property classification. **Please do not include any property value in this column that is either mandatorily or optionally exempt from taxation.**

Note: The total value for optionally exempt and taxable real property value should match those totals reported elsewhere in the report.

Number of Parcels

Enter the count of real property parcels in each classification of properties. For Mandatory Exempt, enter the count of parcels that are fully exempt due to mandatory exemptions such as government/religious/charitable ownership. **Do not include properties fully exempted due to the senior or veteran's exemption in the mandatory exempt count.**

Value of Locally Exempted Personal Property

Please supply the actual or estimated value of all exempt property for the different personal property classifications listed in this section. **If you exempt any of these personal property classifications from taxation and have no idea how much value may exist for that item in your municipality, enter "State Assessed."** Our office will estimate the value of that property classification for you. Please do not leave any spaces blank. Optionally exempt values will be included in your Full Value Determination.

Actual Taxable Personal Property Value

The values you report under this heading should represent your actual local taxable value, by service area, for each personal property classification. **Do not** include any exempt value in this column. These values will be part of your Full Value Determination.

Note: The total value for optionally exempt and taxable personal property value should match those totals reported elsewhere in this this report.

Number of Accounts

Enter the count of personal property accounts in each classification of property. For Mandatory Exempt, enter the number of accounts that are fully exempt due to mandatory exemptions such as government/religious/charitable ownership.

Possessory Interest

Enter the total value of all taxable property assessed as a possessory interest. Also note the methodology used to determine the possessory interest value. The Reversionary Method is the techniques recommended by the Office of the State Assessor per FNSB V. GHU.

TAX ROLL SUMMARY

This page summarizes the Taxable Values that you have segmented on the previous pages. Please check to make sure that all your reported values add up to the final figures on this page. You need only fill out one of these pages for the entire report. This page should be a combined total that sums up to the value of your current tax roll, including any supplemental roll values. The sum of this page is checked against the totals on other pages on the "Proof" tab to insure accuracy.

Page 7 LOCALLY TAXED PROPERTY

Real Property

Total Land Value: Include only the total land value that is locally taxable. **Do not include optionally exempt or mandatorily exempt property value!**

Total Improvement Value: Include only the total improvement value that is locally taxable. Do not include optionally exempt or mandatorily exempt property value!

Total Real Property Value: This total should be the locally taxable value of all real property located within your municipality. This total should also equal the sum of all taxable real property for the areas reported elsewhere in the report.

Personal Property

Personal property should be reported the same way as real property. This total should also equal the sum of all taxable personal property for the areas reported elsewhere in the report.

Locally Taxable Property Supplemental Rolls

The reporting of Supplemental Roll Value causes problems every year. This is brought about mostly because supplemental rolls are not usually certified by the time the "Annual Report" is due back to our office. As a result, estimates have to be made as to what type and how much property will be included in any supplemental roll.

If you are sure you won't have a supplemental roll this year, enter zeros in the spaces provided for "Total Supplemental Roll Value" and the "Number of Supplemental Rolls".

If you have a supplemental roll this year, and you know what the values will be, go ahead and complete this section of the report.

If you are going to have a supplemental roll value this year, but will not know the value by July 1, call us to make arrangements to deal with these values. **But, please remember that our certified Full Value Determination must be mailed to municipalities by October 1 of each year.**

Total Property Value

This is a self-calculating field. However, be sure that this total matches the sum of Taxable Real and Personal Property reported previously.

Total Property Taxes Levied/Billed

Enter the total amount of Property Taxes that were billed by your jurisdiction for the current year. Do not include payments received from past due accounts from previous years taxes or any penalties and interest received. Do not get this confused with property tax payments received. We simply want the sum value of all tax billings for the current tax roll for the entire jurisdiction. This is a single number that should be immediately available from your current budget.

PERSONAL PROPERTY SUMMARY

All personal property classifications listed on this page can be taxed under current state law. Therefore, the value or estimated value of all these classifications must be determined and included in your full value figures. If a municipality exempts any or all of these classifications and you cannot reliably estimate the value of these items yourself, enter "State Assessed" in the appropriate space and we will estimate the value for you.

The personal property values reported on this page should equal the combination of all your values as reported on page 6 and 7. This page is an overall personal property summary and these values will be included in your Full Value Determination.

SALES RATIO REPORT

The "Sales Ratio Report" has been expanded and improved to provide examples and a template to use if you so choose. There are three sample ratio study templates, with instructions, provided on the tabs labeled "Ratio-Improved," "Ratio-Vacant" and "Ratio-Overall". You may choose to use these templates or you may develop your own. Instructions are provided on the worksheets themselves to assist you if you choose to use these templates. Note that once the ratio worksheets are completed, the resulting ratios and data are automatically posted to the "Ratios-Summary" worksheet. The formulas and directions should also prove helpful should you wish to design your own ratio study template.

Remember, sales should be trended to January 1st of the assessment year. The weighted mean is the key figure we are looking for and it is helpful if you have ample market data to develop a weighted mean for both vacant and improved property. Please report **ALL SALES DATA**, not just the sales you used for setting values. Report which sales, if any, were excluded. Any statistical sales data you may have would be appreciated, including the COD.

The weighted mean is used to adjust locally assessed values into the Full and True Value. If you have any questions concerning this page, please let us know. If you have enough sales or the capacity to develop sales ratios for each municipality within your jurisdiction, the end product would be a more accurate full value determination. However, if this is not possible, simply provide an overall rate for your jurisdiction.