

## Building an Honest Model for AK Property Tax Assessment

### Description

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## Haines Tax Assessment Office



Chilkoot Charlies is a popular bar in Anchorage, Alaska.

**2023 Alaska property tax assessment process failed the Haines community, causing local outrage and igniting a now statewide movement to amend State Laws currently allowing cutthroat bureaucrats to drive people off of their property to pay for more government.**



**Brenda Josephson**

*Everyone pays property tax either directly to the government or through rent and lease payments, explained **Brenda Josephson**, former Haines elected official and community activist. Arbitrarily changing assessment criteria and methods to squeeze more money out of residents in this Southeast community has created a political firestorm resulting in resignation of both local and state property assessors*

Previous story about this was in Mid-October:

[1]Tyranny of the Powerful in Rural Alaska, DONN LISTON, 10/15/2023

Haines residents expect just and fair assessments based on full and true market value of real property. As a result of the outcry from local residents from 2023 assessments, Haines Borough Mayor *Tom Morphet* issued a *formal apology* for the property tax fiasco to the public during the November 14th Assembly Meeting.

*"I'd like to make a formal apology to the public for the property tax situation. The borough has struggled with the assessment process for years, perhaps decades. We fell behind in getting values done, and this year we had an overwhelming number of appeals. There is no question that we are in a state of need. We appreciate the work that has been done and continues to be done by a group of residents who have brought forth issues, with and failings of our process.*



**Tom Morphet**

[2] Borough Assembly Meeting November 14, 2023

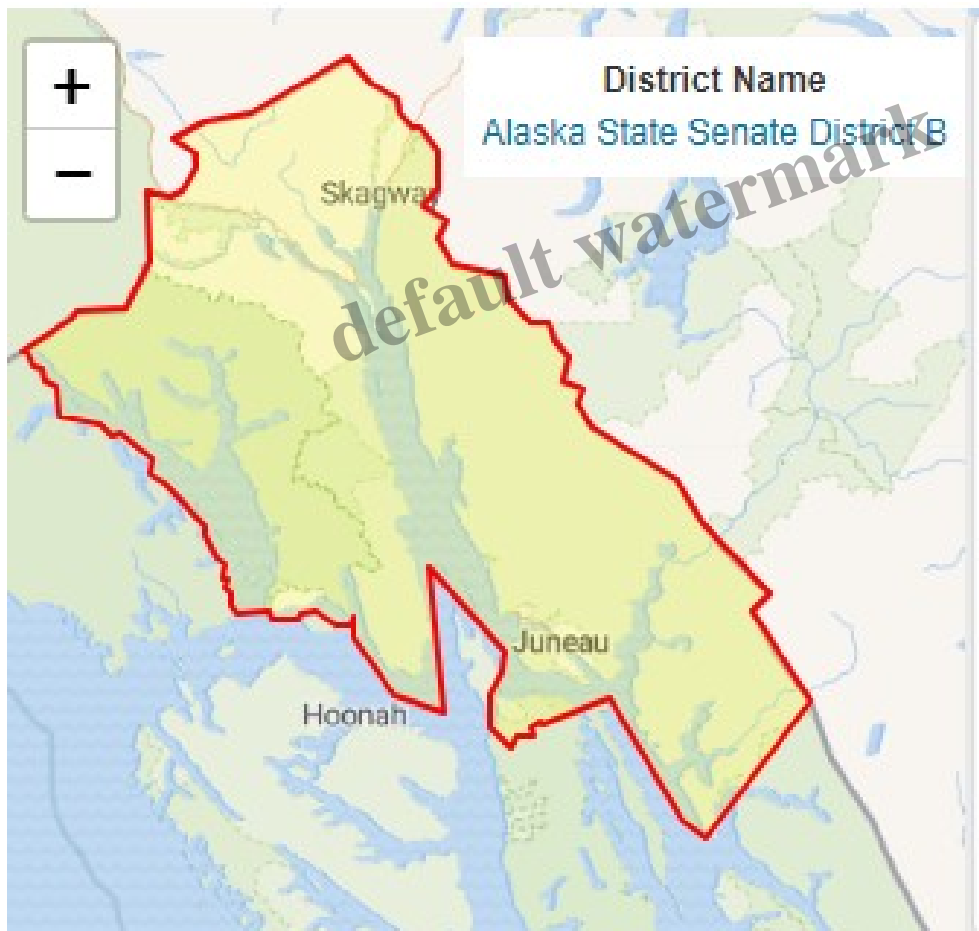
[3] Haines assembly votes to end relationship with contract assessor November 15, 2023

## Apologies by AK Elected Officials do not Happen Often Enough

Josephson was motivated to action by unjust actions from local government officials during 2023, combined with flaws in Alaska's property tax assessment process, resulting in failure of **Alaska's Municipal Taxation Statutes** to protect individuals' rights and the public interest.

[4] Alaska Municipal Taxation Statutes

## Legislative Initiative is Promised



Sen. **Jesse Kiehl** announced in his February 3, 2024, newsletter that he will be introducing a bill to improve Alaska's property tax assessment procedure. Kiehl stated: *when the government takes money, it needs transparent, fair processes to do it... Many Alaska municipalities already follow all the best practices I'm drafting into a bill. For them nothing will change. But for others, a few additional guardrails are in order.*

[5] *Sen. Kiehl* Newsletter “Real Deal with Kiehl”

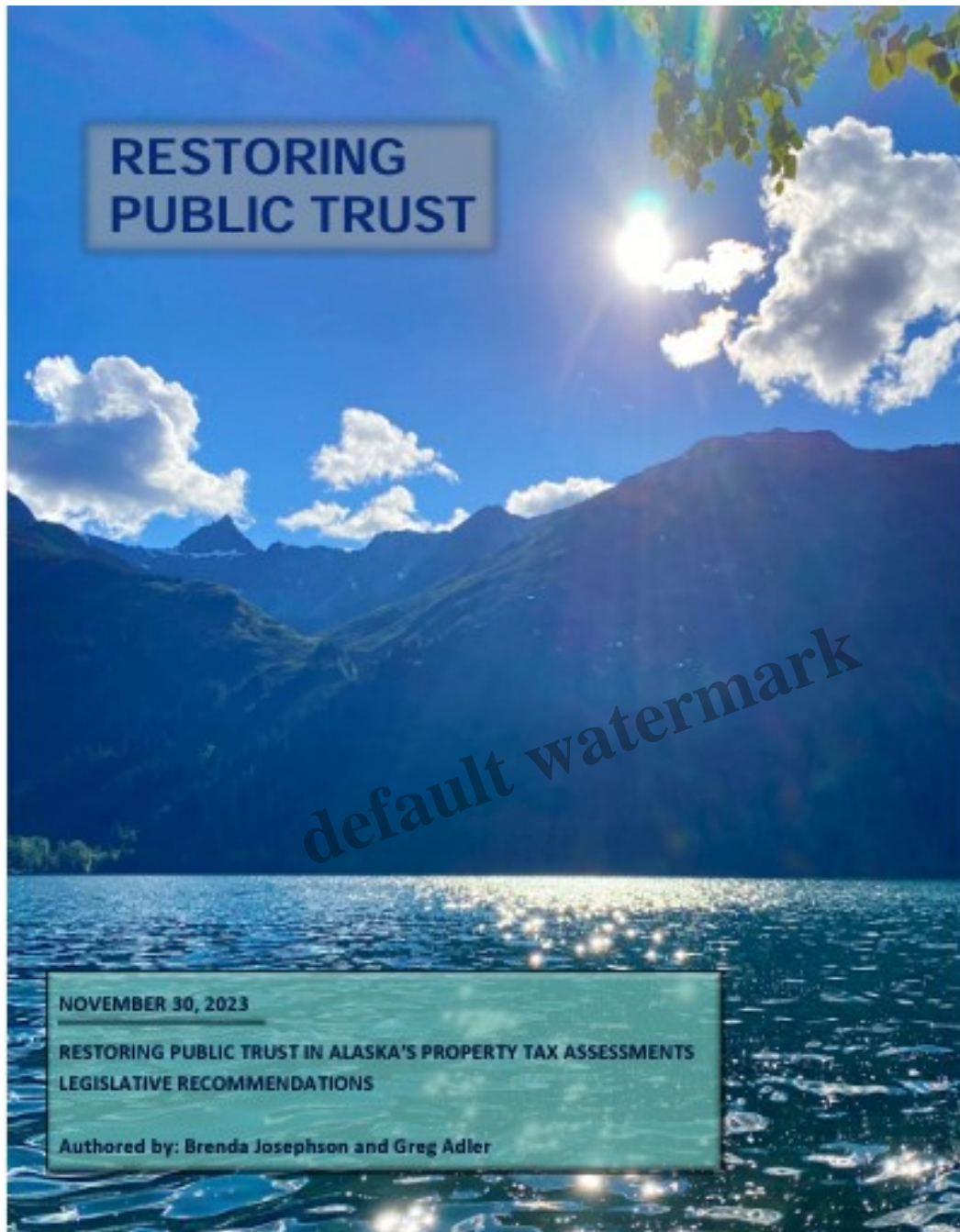
Issues surrounding the 2023 Haines property tax assessment gave rise to a unanimous vote of the assembly to cancel an agreement for services with the community’s hidden agenda property tax assessor, **Michael Dahle**. The Assembly’s action was in response to months of public outcry and a citizens’ petition requesting the contract cancellation, which quickly gained bipartisan support and signatures from residents throughout the borough’s communities.

[6] Haines Cancels Property Tax Assessor’s Contract

The domino effect meant State Assessor **Joseph Caissie** also resigned, after publication of a white paper, *Restoring Public Trust* reviewed problems in Alaska’s statewide property tax assessment process.

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[7]Restoring Public Trust, Josephson & Adler, November 30, 2023

*Excessive property assessment values throughout Alaska have become a source of bipartisan concern, according to Josephson. Assessing property at its full and true market value is required by AS 29.45.110. Alaska statutes, however, do not guarantee property owners a just outcome from the assessor's office and the Board of Equalization (BOE), which makes process failures possible. This means some properties are assessed excessively, causing a detrimental effect on the community by driving owners and tenants out.*

DONN LISTON

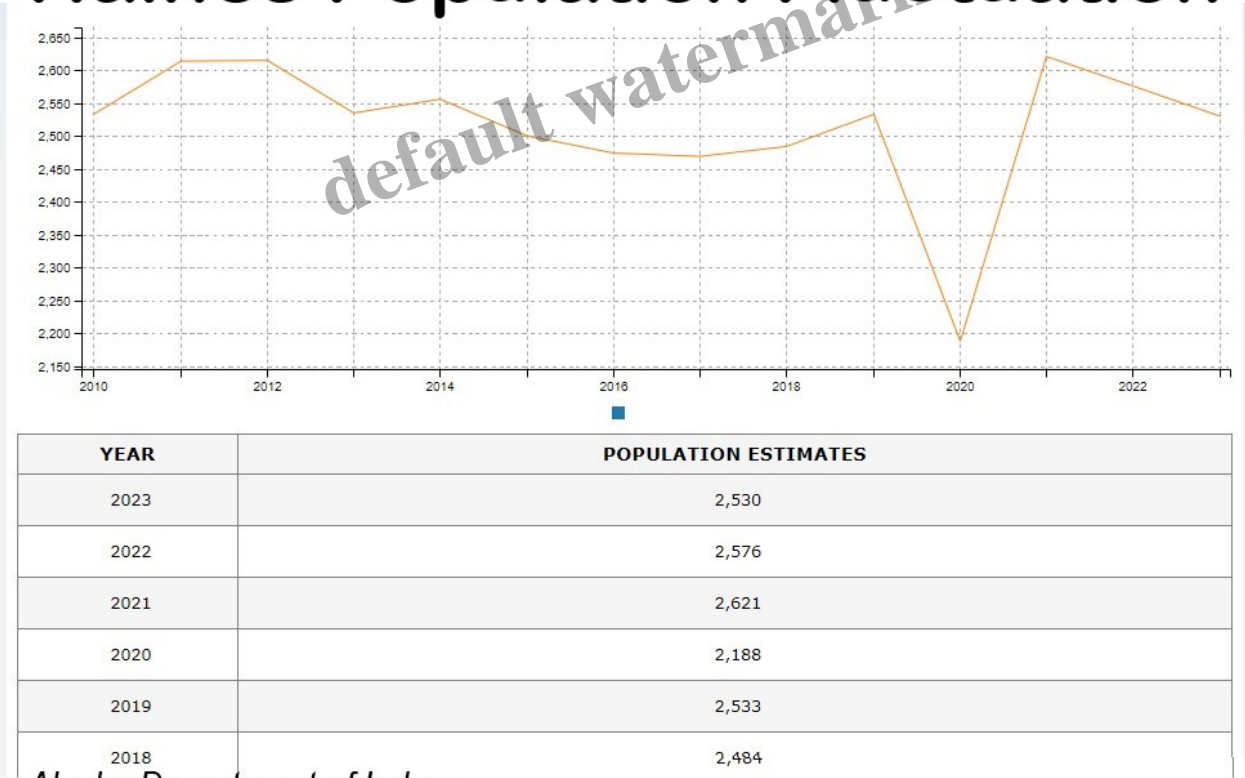
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This community already has difficulty maintaining enough population to support infrastructure. Most significantly, Haines hosts the **Alaska Marine Highway** Terminal providing maritime link from Alaska to the backwater Capital of Juneau. The only other way to get to Juneau from Alaska is by air.

# Haines Population Fluctuation



Alaska Department of Labor:  
<https://live.laborstats.alaska.gov/population/04000100/glance>

The result of the process failures has been a loss of public trust in Alaska’s property tax assessment process in a small community with a population base trending down.

In his apology, the newly-elected mayor also acknowledged process failings: “We are sorry for the upset this has caused for not fully anticipating the problems that arose this year and for the time it took the government to fully understand and appreciate the concern of taxpayers. We are working as fast as

*we can to fix the property tax assessment system and make it right for both the Haines Borough and property tax payers.”*



Soapy Smith was a legendary swindler in the nearby community of Skagway.

#### **The Scheme:**

Previously employed by the **City and Borough of Juneau**, Contract Assessor Dahle was awarded a **Haines Borough** contract on December 13, 2022, to implement the first phase of a new mass appraisal methodology for the Borough's 2023 property tax assessments. Dahle's approach included implementing a replacement cost new hybrid methodology, which resulted in assessments in excess of full and true market value for some parcels.

#### **The Threat:**

When property owners appealed the excessive values instead of receiving honest consideration of the facts, they received threats of increasing assessments if appeals were advanced to the BOE. Dahle quickly earned notoriety for his adversarial actions, which included an assessment increase on appeal from \$864,400 to \$1.1 million on a modest property in the Haines Mosquito Lake area that was appraised at \$620,000.

[8] Assessment increase on appeal from \$864,400 to \$1.1 million

### **The Conspiracy:**

After months of unjust actions from the Haines Assessor, calls to Alaska's State Assessor's office resulted in a BOE retraining that occurred on September 21, 2023. During the retraining, State Assessor Caissie encouraged the BOE to support the municipality's assessed value. Caissie argued that "uniformity" is what matters, even if the model the assessor uses consistently establishes assessments at 150% or even up to 200% of the full and true market. In Caissie's words, the job of the assembly is not to reduce assessments to market value, but instead "the job of the assembly (is) to set the mill rate lower."

### **The Fraud:**

Research into Dahle's credentials discovered that the contract assessor held neither an assessor's certification with the **Alaska Association of Assessing Officers (AAAO)** nor a license in Alaska as an appraiser. Instead of sacking Dahl as an unqualified con, the lack of professional credentials just meant not renewing Dahle's contract when it expired on December 31<sup>st</sup>.

### **Resolution:**

Those who worked to raise awareness of the assessor's office's punitive actions and procedural failures expressed their appreciation for the assembly's unanimous vote not to renew Dahle's contract. They also emphasized the need to codify safeguards against unjust actions. **Dr. Mark Smith** eloquently expressed, *"We're pleased with the outcome, but the culture of inept government that allowed this to occur in the first place still exists. It's like a tumor has been removed, but it will return unless we get the 'whole body' well holistically"*.





Juneau experienced similar turmoil during Dahle's tenure with **CBJ's Assessor's Office**. Juneau commercial properties in 2021 received assessment increases of 50% across the board, regardless of the area they were in or how COVID-19 shutdowns affected their industry.

[9] How to Make Juneau Less Affordable, Win Gruening May 25, 2023.

The issues the Juneau property owners faced mirrored the issues Haines experienced with use of a mass appraisal methodology and an exotic hybrid cost-based approach using some market data that ignores actual market sales conditions. The result is inflated assessment values in excess of their full and true value. Juneau appellants also expressed frustration with the assessor's adversarial approach towards property owners.

### **A Statewide Issue**

What HAS occurred in Haines and Juneau were possible due to inherent flaws in Alaska's property tax assessment process. The process fails to protect individual property-owner's rights through a Board of Equalization process that fails to provide for fair hearings, licensing and/or certification of assessors, and the upholding of assessments in excess of their full and true market value. These requirements are left to local communities to deal with.

[10] Haines, there Ought to be a Law. Brenda Josephson, November 10, 2023

In December, Caissie announced his resignation as Alaska's State Assessor—less than three months after he came under criticism for the training advice provided to the Haines BOE members.

[11] AK State Assessor Resigns

**Note: This writer taught 6th grade in Haines 2007-08.**



[12] Leaving Juneau after 100 days of the 30th AK Legislature, DONN LISTON, April 2018.

## Hope for Future Cutthroat Bureaucrats

Caisse stated in a farewell letter that he would be leaving in January for a full-time job managing a 501(c)(4) that advances Georgism. [Georgism](#) is a controversial policy based on the 18<sup>th</sup> century policies of American Economist and Social Reformer **Henry George**, (September 2, 1839 – October 29, 1897) including theories that base land value on what the government thinks it should be used for rather than its existing use. Caissie stated that, in his new role with the NGO, he would be *pushing for more jurisdictions to adopt this policy*.

To understand Georgism, we must first look at another economist and social reformer, Karl Marx (1818-1883) who was antagonistic toward capitalism and private land ownership in general:

*Moreover, the arguments for and against various forms of property provide a key to understanding a number of crucial notions in Marx, for example, what he meant by “communism” as a radical restructuring of society, including the abolition of private property; and what he envisaged as the kinds of personal and social ownership that would obtain in post-capitalist society.*

[13] Karl Marx on Property, Marquette University, Thomas William Keys, 1981

Unintended consequences of the assessment process as currently allowed were described in the referenced [Restoring Public Trust White Paper](#) written and published through a collaboration between Josephson, a Haines BOE appellant, and **Greg Adler**, a Juneau BOE appellant. It provides examples of how to establish legislation with just and transparent requirements to protect individuals' rights to due process and fair hearings.

Since the publication of [Restoring Public Trust](#), people throughout the State of Alaska have also expressed a shared desire for action to ensure a fair process that protects individuals' rights for their communities.

The property tax assessment process and the Board of Equalization appeal process should not be adversarial. Statewide policies and statutes must be written to protect citizens from unintended consequences and bad actors. Legislation is required to restore public trust in Alaska's property tax assessment process.

*Haines resident Brenda Josephson has held elective office on the Haines Borough Assembly and Haines Borough School Board. She also served her community as a Planning Commissioner and as a member of the Haines Chamber of Commerce Board of Directors. You can contact Brenda via email at [brendajones57@gmail.com](mailto:brendajones57@gmail.com).*

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### **Date Created**

February 17, 2024

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