

State Assessment Review Board

Roster

NAME	APPOINTED	REAPPOINTED
Lawrence, Wendy (Sitka)	07/27/2016	
Mosley, James (Eagle River)	05/16/2011	
Roberts, William (Kodiak)	11/15/2014	01/19/2015
Van Sant, Steven (Palmer)	01/19/2015	
Washington, Bernard (Anchorage)	01/10/2014	

Board Facts

Department: REVENUE

Board identification number: 007

Authority: AS 43.56.040

Status: Active

Sunset date:

Requirements: Legislative Confirmation and Financial Disclosure

Prohibitions: None

Term: No defined term

Chair: No provision.

Description: The Board consists of 5 members appointed by Governor who must be knowledgeable of assessment procedures for pipeline transportation of gas or unrefined oil.

Function: The board conducts oil and gas property assessment appeal hearings on values set by the Department of Revenue.

Special facts: A quorum consists of a majority of members. Members serve at the pleasure of the Governor.

Compensation: Standard Travel and Per Diem

Meetings: 1 meeting per year (usually in mid-May); 2-3 day meeting/hearing.

State Assessment Review Board §43.56.040

Sec. 43.56.040. State Assessment Review Board. The State Assessment Review Board is created within the department. The board consists of five persons appointed by the governor to serve at the pleasure of the governor, each of whom must be knowledgeable of assessment procedures. Each board member is subject to confirmation by a majority of the members of the legislature in joint session.

Sec. 43.56.060. Assessment. (a) The department shall assess property for the tax levied under AS 43.56.010(b) and AS 29.45.080 on property used or committed by contract or other agreement for use for the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil at its full and true value as of January 1 of the assessment year.

(b) The department shall assess property for the taxes levied under AS 43.56.010(a) at its full and true value as of January 1 of the assessment year except that in the case of taxable property used or committed by contract or other agreement for the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil to be transported by that pipeline, the first assessment date shall be the construction commencement date. If the construction commencement date is used as the assessment date, the tax payable shall be prorated on the basis of the assessment year remaining.

(c) The full and true value of taxable property used or committed by contract or other agreement for use in the exploration for gas or unrefined oil, or in the operation or maintenance of facilities for the exploration for gas or unrefined oil, is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

(d) The full and true value of taxable property used or committed by contract or other agreement for the production of gas or unrefined oil or in the operation or maintenance of facilities for the production of gas or unrefined oil is:

- (1) on the construction commencement date the actual cost incurred or accrued with respect to the property as of the date of assessment;
- (2) determined on each January 1 thereafter on the basis of replacement cost less depreciation based on the economic life of proven reserves.

(e) The full and true value of taxable property used or committed by contract or other agreement for pipeline transportation of gas or unrefined oil or in the operation or maintenance of facilities for the pipeline transportation of gas or unrefined oil is:

- (1) on the construction commencement date and until January 1 following the date the pipeline begins to transport gas or unrefined oil, the actual cost incurred or accrued with respect to the property as of the date of assessment;
- (2) determined on each January 1 thereafter with due regard to the economic value of the property based on the estimated life of the proven reserves of gas or unrefined oil then technically, economically, and legally deliverable into the transportation facility; however,

if the proven reserves of gas or unrefined oil then technically, economically, and legally deliverable indicate an economic life materially shorter than the estimated physical life of the transportation facility, the full and true value is the actual cost reduced by an annual allowance for depreciation on a straight line basis over an economic life based on the actual elapsed life from the commencement of full operation to the date of assessment plus the estimated remaining life of the proven reserves of gas and unrefined oil then technically, economically, and legally deliverable into the transportation facility as of the date of the assessment;

(3) on the assessment date next following inability to use or construct all or a substantial part of the facility for a period of 90 or more consecutive days because of natural disaster or legal prohibition, or other events beyond the control of a person having ownership or control of the property, adjusted to take into account any diminution in value.

(f) For purposes of this section, "actual cost" and "replacement cost" do not include interest capitalized before or during the period of construction nor the value of intangible drilling expenses. In the case of taxable property under construction, "actual cost" for purposes of this section means the costs incurred or accrued with respect to the property as of the date of assessment.

(g) The department may enter into agreements with a municipality for the cooperative or joint administration of the assessing authority conferred on the department by this section.