**20.17A FAIR MARKET VALUE DEFINED**

I will now explain the term "fair market value."

Imagine that the owner of property puts it up for sale and is allowed a reasonable time to sell it. The fair market value is the amount a willing seller would receive from a willing buyer in a normal, open market sale, with both buyer and seller having reasonable knowledge of the relevant facts. In arriving at this figure, you must assume that the owner is free to sell or not to sell and that the buyer is free to buy or not to buy.

# **Use Note**

This instruction should be used whenever the jury must determine the fair market value of property. It can ordinarily be inserted into other instructions immediately after the jury is told to determine fair market value.

## **Comment**

*See*, *e.g*., *Alyeska Pipeline Service Co. v. State*, 288 P.3d 736, 740 (Alaska 2012) (“fair market value” is the price a willing buyer would pay to purchase the asset on an open market from a willing seller); *Fortson v. Fortson*, 131 P.3d 451, 462 n. 35 (Alaska 2006) (fair market value is “the amount at which property would change hands, between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having reasonable knowledge of the relevant facts”); *Martens v. State*, 554 P.2d 407, 409 (Alaska 1976) (“the amount a fully informed seller would receive from a fully informed buyer in a normal, open market sale”).

*See also* Comment to Instruction 27.02.