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Washington Department of Revenue Property Tax Division

2019 Review of Property Tax Administration in Whitman County



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Overview

Introduction

This report contains the results of the Department of Revenue's (Department) review of property tax administration processes in Whitman County (County).

Purpose

The primary purpose of this review by the Department is to assist the Whitman County Assessor (Assessor) in successfully performing the duties associated with administration of the various property tax programs.

An effective review of the methods employed by the County in administering property tax will promote fair, timely, and uniform property tax assessments

Scope of review

The review is limited in scope. We reviewed the Assessor's role in property tax program administration. We did not review the internal fiscal controls or the internal management of the Assessor's office.

We reviewed selected administrative procedures for compliance with state statutes and regulations. We did not examine all parcels or accounts enrolled in the various programs or the assessed values of these accounts. The processes used to determine value are within the scope of this review and may be addressed in this report.

Background

Duties of the Assessor

The Assessor is responsible for listing and valuing all real and personal property in the county. In addition to valuing property, the Assessor's Office is responsible for a number of complementary functions, including:

- Maintaining record of ownership and legal description for each parcel of property
- Maintaining maps of all parcels and taxing districts
- Calculation of levy rates for the various taxing districts
- Administration of state-legislated tax exemption and deferral programs
- Providing property tax related information to the public and other governmental agencies

Overview, continued

Duties of the Department

The Department has the responsibility of general supervision and control over the administration of the assessment of property and the property tax laws of the state. The Department is authorized to direct and advise assessors, boards of equalization, county boards of commissioners, county treasurers, and county auditors as to their duties under the laws of the state relating to property taxation.

The Department has the authority to examine and test the work of county assessors at any time. The County Review Program is one of the Department's principal efforts to address these interests and promote fair, timely, and uniform property tax assessments.

As part of the Department's commitment to assisting the Assessor, this review is conducted with these general goals in mind:

- To ensure that assessment administration is in compliance with state statutes and regulations
- To provide recommendations to improve assessment operations
- To identify efficiencies and cost-effective operational improvements
- To identify immediate and long-term resource needs in the Assessor's office

Information reviewed

To complete our review, we gathered information about property tax program administration via interviews, documents provided by the county, as well as through independent verification. The areas we reviewed included (but were not limited to):

- Reporting to officials
- Revaluation and new construction
- Personal property

To complete our review, we interviewed:

- The Assessor
- The Chief Appraiser

Acknowledgment

We thank the Assessor and staff for their cooperation throughout our review. We commend the Assessor for her willingness to look at opportunities to improve the uniformity and administration of property tax.

Executive Summary

About this review

The Department conducted an on-site visit to the Assessor's office. We interviewed the Assessor and her staff about the processes and procedures used in administering the County's various property tax programs.

An administrative review of this type is prone to underscore problem areas even in a county that is doing well. Though we may have observed processes or procedures where the County is doing well, those items may not be reflected in this report.

Categories of results

The Department has completed its review and grouped the results into two categories:

- The first category, *Requirements*, is of the greatest urgency for effective administration by the Assessor. A change is required to adhere to the law.
- The second category, *Recommendations*, requires the attention of the Assessor. We believe improvements in these areas can improve service to the public.

The Department based the requirements and recommendations contained in this report on our analysis of the administrative procedures employed, existing state statutes and regulations, and areas we saw opportunities to improve processes, procedures, and communication.

Results

The Department identified three requirements and six recommendations directed toward improving property tax administration in the County. A summary of these items follows.

Executive Summary, continued

Requirements

1. The Assessor is required to assess new construction at its true and fair value as of July 31 each year regardless of its percentage completion. (RCW 36.21.070, RCW 36.21.080, WAC 458-19-005(2)(p), WAC 458-12-342)
2. The Assessor is required to make a physical appraisal of the building or buildings within twelve months of the date the permit was issued. (RCW 36.21.070) County and city permit issuing departments are required to provide the Assessor with copies of all building permits issued by the respective jurisdiction. (RCW 19.27.140)
3. The Assessor is required to assess the value of all personal property as reported by the taxpayer on or before May 31 of each year, and is required to deliver or mail to each taxpayer a copy of the statement of valuation. (RCW 84.40.040, 84.40.080, 84.40.200, WAC 458-12-060)

Recommendations

1. The Department recommends the Assessor use the *International Association of Assessing Officers (IAAO) Ratio Standard* to measure the quality of mass appraisals. The IAAO Standard suggests that the level of assessment be analyzed using the median assessment ratio for each jurisdiction being reviewed. The IAAO standard states that the median ratio should be between 90% and 110%.
2. The Department recommends the Assessor develop an appraisal procedure manual to ensure that property is inspected and appraised uniformly and consistently. Providing guidelines in writing helps to achieve and maintain consistency and uniformity between staff members and provides a ready reference for use in the field.
3. The Department recommends that the Assessor consider adding staff positions in the future to help complete their workload in a timely manner and increase mass appraisal functionality using the current computer assisted mass appraisal (CAMA) system.
4. The Department recommends the Assessor adopt practices that will allow for the use of mass appraisal in determining and updating values on an annual basis.
5. The Department recommends the Assessor obtain GIS for more efficient and accurate appraisals and for implementation of a mass appraisal system.
6. The Department recommends the Assessor continue pursuing new field devices for property inspections.

Requirements

For the items listed as *Requirements*, the Assessor must make changes in procedure to comply with law.

This section contains the items we identified following our interview.

Procedure for Adding New Construction at Percent Complete to the Assessment Roll

Requirement

The Assessor is required to assess new construction at its true and fair value as of July 31 each year regardless of its percentage completion. (RCW 36.21.070, RCW 36.21.080, WAC 458-19-005(2)(p), WAC 458-12-342)

What the law says

New construction covered under the provisions of RCW 36.21.070 and 36.21.080, and defined in WAC 458-19-005(2)(p), must be assessed at its true and fair value as of July 31 each year regardless of its percentage of completion. The Assessor is authorized to place new construction on the assessment rolls up to August 31 each year. In instances when new construction continues after July 31 of any year, the increase in value of the property due to the new construction that occurs between August of that year through July 31 of the following year is added to the assessment roll as "new construction" in the following year.

New construction refers only to real property, as defined in RCW 84.04.090 and further defined in WAC 458-12-010, and also to improvements, as described in WAC 458-12-005(2)(d), located on leased public land, for which a building permit was issued or should have been issued. The Assessor must notify the owner, or person responsible for payment of taxes, of the value of any new construction that has been assessed.

What we found

In our discussion at the Assessor's office on May 30, 2019, the Assessor stated that they did not add any new construction value to the assessment roll until the improvement was complete. The previous administration had a policy that directed appraisers to wait until construction was complete before adding new construction to the assessment roll.

Action needed to meet requirement

The Assessor must determine the assessed value of new construction based on the true and fair market value, as of July 31. When the construction is incomplete, the value should reflect the market value for that level of completed construction, as of July 31. The Assessor should provide appraisers with written guidelines to help ensure consistency in estimating the value of incomplete construction.

Methods for determining percent complete and value of incomplete construction:

- Appraisers can estimate percentage of completion based on the contribution of each component of construction, as compared to the completed project. For example, a home with only the site work and foundation completed, as of July 31, would be considered 14 percent complete using the Percent Completion Guide in Marshall and Swift building cost manuals. The Department provides forms that help to calculate a percent complete for new construction.

- For parcels in the very early stages of construction, after inspection, the appraiser might apply a percentage of the permit value to the parcel, until such a time that he or she can measure the new improvement more accurately.
- Another option would be to attach a flat value to a parcel in the early stages of construction (i.e. foundation), which would be a fair cost estimate for groundwork, utility installation, and foundation work.

The Assessor should continue to include photos in property records, because photos provide visual evidence of construction found at the time of the inspection.

Why it's important

One of the major functions of the assessor's office is placing new construction on the assessment roll. It is important to capture the new construction value each year regardless of the percentage of completion, so the added value is part of the assessment roll for the appropriate year. The assessment of new construction provides an important source of funding for the county and local taxing districts, and ensures equity in taxation between property owners.

Physical Appraisal within Twelve Months of Issued Permit

Requirement

The Assessor is required to make a physical appraisal of the building or buildings within twelve months of the date the permit was issued. (RCW 36.21.070) County and city permit issuing departments are required to provide the Assessor with copies of all building permits issued by the respective jurisdiction. (RCW 19.27.140)

What the law says

All property is subject to assessment and taxation unless law has provided a specific exemption. New buildings and other improvements resulting from construction or alteration that required a permit under the State Building Code are subject to inspection, listing and assessment by the assessor.

The assessor typically becomes aware of new construction through building permits issued by the permitting departments of the county and cities within the county. Some cities contract with the county for permit and inspection services. A copy of any permit obtained under the State Building Code for construction or alteration work of a total cost or fair market value in excess of \$500 must be sent by the issuing authority to the assessor. The permit must include the county assessor's parcel number. The assessor must, within 12 months of the date the permit was issued, inspect and appraise the building or buildings covered by the permit (RCW 36.21.070). Although cost may be incurred by the property owner and reflected on a permit, the assessor determines whether the "alteration" increases the value of the property. The assessor must value new construction as of July 31, and complete the valuation and list in the assessment roll by August 31.

The assessor must inspect property within 12 months of the date a permit was issued. In some instances, the issue date of the permit and the valuation date of July 31 may result in an inspection period of less than 12-months or even several months past 12 months.

- The 12-month period begins at the time the permit is issued by the building or community development department, not at the time the assessor received the permit. Permits have various dates that range from application date, to open date, to issue dates, on through various stages until completion.
- Permits are issued throughout the year. When permits are issued in July, the construction work may not have started before the July 31 valuation date.
- Permits issued in late June or July typically would not be received by an assessor's office until the next month or even after the valuation date for that assessment year. In those cases, based on the date, the assessor may have until the next year to inspect and value the property.

What we found

The Assessor currently receives building permits timely from the County and most of the city jurisdictions. One city refuses to provide building permit information to the Assessor. This practice does not comply with state law requiring the issuing jurisdiction to transfer permits to the assessor (RCW 19.27.140). The permits are a county assessor's primary source of information about potential new construction. No transfer and late transfer of

permits has jeopardized the Assessor's ability to inspect permitted construction within one year of the issue date. New construction value must be added to the assessment roll within the year it was completed or it cannot be considered new construction for purposes of increasing the levying capacity of tax districts, including the County. When the assessor does not receive permit information from the issuing jurisdiction, the appraisers use other methods to discover new construction. Without reliable permit data, new construction value could be forfeited because the assessor was not able to discover it timely.

Action needed to meet requirement

The Assessor has processes in place for tracking permits, inspections, and listing new construction. Enhancements to those processes, such as those listed below, will help ensure that within twelve-months of an issued permit the Assessor will inspect the new construction and list the value for the current assessment year.

- The Assessor and other county departments must continue their work to ensure that all permits are timely transferred to the Assessor. If jurisdictions are not cooperative in providing the required information, the Assessor should contact higher levels of management to express their concerns.
- The Assessor should continue work with the permit issuing department of cities to maintain a consistent schedule for transfer of permit information, by either paper or electronic means. Promptly sending permits to the Assessor means the permit will be entered into the assessment system and ready for review and inspection.
- The Assessor should continue developing a tracking system that records both the permit issue date and the date received from all permitting jurisdictions to confirm that permits are transferred according to an agreed upon schedule.
- The Assessor should conduct a review of all parcels with known new construction permits each year before change of value notices are printed and mailed. System queries and testing may identify parcels with missed new construction or parcels with data entry and value calculations not completed properly in their computer assisted mass appraisal (CAMA) system.

Why it's important

One of the major functions of the Assessor's office is placing new construction on the assessment roll. New construction that is valued and listed each year by an assessor directly influences the tax base for the county and local taxing districts. The assessment of new construction provides an important source of funding for the county and local taxing districts, and ensures equity in taxation between property owners. The growth in property tax revenue is limited to one percent each year. Taxing districts are authorized additional revenue in excess of the one percent levy limit based on the value of new construction. This added revenue carries forward in future levy authority. When the value of a new improvement as of July 31 (2018) is not listed by an assessor until the following assessment year (2019) that value is listed as omitted property. Omitted property will increase the tax base, but it should not be considered new construction for determining the highest lawful levy.

Personal Property Assessment Timeline

Requirement

The Assessor is required to assess the value of all personal property as reported by the taxpayer on or before May 31 of each year, and is required to deliver or mail to each taxpayer a copy of the statement of valuation. (RCW 84.40.040, 84.40.080, 84.40.200, WAC 458-12-060)

What the law says

The assessor must send personal property listings to the taxpayers by January 1 each year. The taxpayer is required to update and submit their completed listing to the assessor's office by April 30 each year. A penalty may be added to the amount of tax assessed if the listing is not made by the due date. Upon receipt of the listing of personal property, the assessor determines the value of such property by May 31. (RCW 84.40.040) The assessor must send the taxpayer, or person listing the property, a copy of the completed personal property list including the assessor's determination of the assessed (true and fair) value of the listed property. When property is listed or assessed on or after May 31, the same shall be legal and binding as if listed and assessed before that time. The Personal Property Stratification Report should be sent to the Department by September 1 each year. (WAC 458-53-140)

What we found

Under the previous administration, the Assessor's office was not following the correct timeline. They had an internal deadline for completing personal property listings and assessed values by August 31. Currently, the Assessor sends listings to taxpayers for their review at the beginning of January with directions to return the updated personal property list by April 30. During 2019, the Assessor completed personal property values on July 10 and mailed notices on July 31. The dates personal property work was completed were similar during 2018 and 2017.

Action needed to meet requirement

The Department recommends the Assessor implement procedures that follow the correct timeline for personal property listing, valuation, providing notice, and reports.

The steps to ensure timely processing is to:

Step	Action
1.	By Dec 1, Assessor should begin compiling personal property information
2.	By Jan 1, Assessor should mail or transmit current listing to taxpayer
3.	By April 30, taxpayer must submit completed/amended listing to assessor
4.	Assessor should date stamp the listings received. 'Code' new equipment on listings with proper valuation trends as listings are received. Update other information as necessary and send updated listing with new values to taxpayer.
5.	By May 31, Assessor completes valuation of personal property.

6.	The taxpayer may appeal the value to the Board of Equalization (BOE) by July 1, or 30-days from the date of notice, whichever is later. Some counties have adopted a 60-day period to file petitions with the BOE.
7.	Assessor completes certification of personal property values to the BOE by July 15, or once values are complete, whichever occurs later.

Why it's important

Timely processing listings and completing valuation of personal property each assessment year ensures the accurate listing of all property on the tax roll and that taxpayers receive uniform treatment. Timely receipt and valuation of returned personal property listings, together with proper notice of new values, provides taxpayers their opportunity for appeal and ensures equitable distribution of taxes. Uniform application of penalties ensures fairness in administration, awareness by taxpayers, and improves filing compliance.

Recommendations

For the items listed as *Recommendations*, the Department believes the Assessor could improve program compliance and service to the public by making voluntary changes in procedure.

This section contains the items we identified following our interview.

Meet the IAAO standard for median assessment ratio

Recommendation

The Department recommends the Assessor use the *International Association of Assessing Officers (IAAO) Ratio Standard* to measure the quality of mass appraisals. The IAAO Standard suggests that the level of assessment be analyzed using the median assessment ratio for each jurisdiction being reviewed. The IAAO standard states that the median ratio should be between 90% and 110%.

What we found

For the years 2015 through 2017, the level of assessment or ratio for the County was less than 90 percent and outside the IAAO's recommended range for the median ratio. The report with median ratios is not yet available for 2018 and 2019. The weighted mean ratio used for equalization by the Department has been under 90 percent for four of the past five years. Our 2019 Ratio Study indicates a mean ratio of 83.3 percent, which reflects lower assessed value to sale price ratios for multiple categories of property, including agricultural, multifamily and commercial, and single family residential.

Recent real property ratios for Whitman County are as follows:

Assessment Year	Median	Weighted Mean
2019	n/a	83.3%
2018	n/a	79.4%
2017	84.0%	87.0%
2016	85.0%	91.9%
2015	87.0%	75.5%

Sources:

[Measuring Real Property Appraisal Performance In Washington's Property Tax System](#)
[Property tax ratios by county | Washington Department of Revenue](#)

In 2017, 30 counties met the IAAO standard for median ratio at 90 percent or greater for the overall county, while nine counties did not meet standard because their level of assessment was less than 90 percent.

Action recommended

The Department recommends that County appraisers use ratio studies and other statistical analysis to test the quality and accuracy of their appraisal process and methods. Appraisers should do the following:

- Analyze both the level of assessment and the uniformity of the assessments in all categories of property and locations. Calculate the statistical measures recommended by the IAAO to test whether valuation models and methods accurately value all parcels at 100 percent of market value each year.
- Develop skill using Excel, an easily accessible tool, that appraisers can use for ratio studies and calculating most of these statistical measures. The IAAO provides training and publications that explain the use of statistical measures. The *Property Tax Training Calendar* typically includes classes about ratio studies, including how to conduct the study using Excel.

- Review the Department’s annual ratio study for your county and our published reports that explain statistical analysis with calculated measures for each county, including:
 - [Measuring Real Property Appraisal Performance In Washington’s Property Tax System](#) - Annual reports published through 2017 are available on the Department’s website.
 - *Real Property Ratio Summary Statistics Report* - Available by contacting the Department or through the Property Tax Resource Center (PTRC).
- Use ratio studies to identify property types and locations across the County where assessed values are not reflective of market value. Update the values of parcels in the current physical inspection area and in the other five non-inspected areas. Annual revaluation means updating values throughout the County each year.

Why it’s important

Ratio studies are used for measurement of the level of assessment and uniformity of mass appraisal models.

They also provide:

- Internal quality assurance and identification of appraisal priorities where resources should be concentrated in order to improve assessment levels.
- Determination of whether administrative and statutory standards have been met.
- Determination of time trends for older sales, which could be used for adjustment of appraised values for the current assessment year.

Assessors, appeal boards, taxpayers, and taxing authorities can use ratio studies to evaluate the quality and uniformity of assessments.

Appraisal Procedures Manual

Recommendation

The Department recommends the Assessor develop an appraisal procedure manual to ensure that property is inspected and appraised uniformly and consistently. Providing guidelines in writing helps to achieve and maintain consistency and uniformity between staff members and provides a ready reference for use in the field.

What we found

During our review, the Assessor stated she does not have an appraisal procedures manual for their office. The Assessor was given a data standards manual from another county to use as an example. Based on information provided during our visit, it was apparent that necessary data/characteristics are not being recorded correctly and consistently. Examples include the incorrect use of land use codes and the lack of characteristic data for land parcels.

Action recommended

The Department recommends the Assessor's Office develop a comprehensive appraisal procedure manual that contains information useful to appraisers in performing their duties. Recommended items might include:

- Assessment data definitions, including photographic examples from Whitman County, standard guidelines related to building quality, condition, detached structures, attached structures, land characteristics, etc. Examples of manuals are available from the Department.
- Instructions for data entry and use of the computer assisted mass appraisal (CAMA) system.
- Required forms for things such as new construction, additions to improvements, destroyed property, sales verification, etc.
- Helpful information and links to available information on the Department's websites, which may be helpful to both staff and taxpayers.
- Appeal procedures.
- Inspection guidelines for classified current use land.
- Inspection guidelines for exemption and deferral eligible property.
- Property Tax Calendar.
- A schedule for at least annual reviews to update, refine, and improve the written procedures.

Why it's important

A written appraisal procedure manual helps achieve consistency among appraisal staff and greater uniformity for taxpayers by providing the following benefits:

- It is an excellent training tool for new appraisers or those transitioning to utilization of mass appraisal techniques. It is readily available to use in the field as a reference tool for appraisers.
- It is easily updated or amended as necessary.
- It ensures consistent application of property tax laws and rules.
- It ensures consistent application of policies and procedures.
- It promotes use of uniform appraisal practices throughout the county.

Staffing

Recommendation

The Department recommends that the Assessor consider adding staff positions in the future to help complete their workload in a timely manner and increase mass appraisal functionality using the current computer assisted mass appraisal (CAMA) system.

What we found

The Assessor's Office has a more limited number of staff than other counties and limited functionality of their CAMA system. An inadequate number of trained appraisers contributes to the Assessor's Office not consistently reviewing and updating assessed values of all parcels each year. The overall county weighted mean ratio has ranged from 79% to 87% for the past three years and is 83.3% for 2019. The lower ratio could be the result of not routinely updating assessed values for property in the current year inspection area nor for non-inspection areas of the six-year revaluation plan. Current staff have limited time for additional market analysis work, updating building cost and depreciation tables, building land models, and increasing functionality of the CAMA system.

Law requires that the assessed value of all parcels be updated to 100% market value each year. Updating values using mass appraisal techniques, such as applying neighborhood trend factors, is much quicker with mass appraisal functionality within the CAMA system. Currently, the appraisers manually update values in the non-inspection areas, parcel by parcel. The following table shows the percentage of values that changed in the inspected and non-inspected areas for the last three years. The Assessor's *Revaluation Plan* includes the description of the six physical inspection areas of the county.

Assessment Year	Percent of Inspected Parcels w/Change in Assessed Value	Percent of Non-Inspected Parcels w/Change in Assessed Value
2019	17.2	6.4
2018	5.9	1.4
2017	10.2	58.0

The County has the highest parcel count per appraiser than any county in the state. In 2018, they had workload of 11,874 parcels per appraiser to reappraise or statistically update values, plus conducting physical inspection and valuation of new construction.

Parcels per Appraiser			
	Total Parcels	Parcels per Appraiser	Real Property Appraiser FTEs
Whitman	35,621	11,874	3.00
Pacific	32,536	8,134	4.00
Jefferson	29,804	7,013	4.25
Stevens	40,208	6,993	5.75
Franklin	31,225	6,245	5.00
Kittitas	33,642	4,205	8.00

Source: 2018 Comparison of County Assessor Statistics Report

Action recommended

The Assessor should consider adding staff with the skill to perform specialized functions such as:

1. Sales analyst who is proficient in the use of Excel for model building, statistics and analysis
2. Commercial/industrial/multi-family appraiser
3. CAMA developer/maintenance position
4. GIS technician to create and maintain a parcel layer for the assessor's office

These recommendations are not suggesting the county hire an FTE (full-time equivalent) for each of these positions, but rather include these functions as part of the plan for implementing mass appraisal. These functions may be performed by a single individual or shared by multiple staff members. Success in implementing mass appraisal depends on assigning responsibility to an individual who has a working knowledge of the processes required for setting up an efficient mass appraisal system, including the above mentioned functions required to accomplish mass appraisal.

Why it's important

The Assessor's Office needs adequate staff to perform necessary mass appraisal functions, implement and maintain a mass appraisal system, and perform other assessment duties as necessary. A fully functioning mass appraisal system with complete and accurate property records leads to more accurate assessed values and greater equity for taxpayers.

Develop Mass Appraisal Valuation Practices

Recommendation

The Department recommends the Assessor adopt practices that will allow for the use of mass appraisal in determining and updating values on an annual basis.

What we found

The Assessor upgraded their CAMA valuation system in 2010, but the system has not been fully set up to perform mass appraisal. The current system does not contain adequate property characteristics, correct land use codes, current building cost tables and depreciation schedules, and adequate coding to allow grouping of similar parcels for analysis purposes. This limits the use of mass appraisal modeling for land or for trending improvement values by neighborhood.

Action recommended

We recommend the Assessor develop a plan for implementing mass appraisal. The following suggestions will help to set up basic system functionality so that parcels can be updated in a consistent and uniform manner. It would be beneficial to have a staff member dedicated to managing this transition and implementing the plan by inspection area for a six-year cycle until all parcels have been updated.

- *Land Use Codes* (state land use codes listed in WAC 458-53-030) –The Assessor should provide appraisers with a list of the land use codes and review the proper application of the codes to promote consistent application by all staff. Land use codes should reflect the actual use of the land. During inspections, appraisers should review codes for accuracy. Staff application and review of land use codes is a critical function that results in accurate parcel information, allows similar properties to be grouped accurately for analysis and appraisal, and improves accuracy of state reports that require correct land use codes.
- *Neighborhood Codes* – A plan should be developed to delineate parcels within their geographical area. This is a first step in stratifying properties in order to evaluate market influences that affect them.
- *Marshall and Swift Cost Tables* – Marshall and Swift building cost updates were not automatically installed by the vendor and the CAMA system cost approach uses 2010 cost tables. It is unclear if current cost multipliers have been used to bring 2010 cost factors to current cost. Marshall and Swift Cost Tables should be updated annually before valuation work begins for the current year.
- *Depreciation* – The Assessor has not built any depreciation schedules from local sales data and has not been using the tables provided by Marshall and Swift. Depreciation rates vary by quality of construction and age of the improvement. Routine repairs and maintenance can affect the rate. Depreciation schedules should be built for different building types and grades and applied to the cost approach.
- *Land Characteristics* – The appraisers will record only limited land characteristics in the electronic property record after completing their inspection of the property. The Assessor and appraisers should

determine which characteristics are the greatest influences on value and develop guidelines for all appraisers to capture these characteristics consistently in the electronic property record. We provided the Assessor with an example of a data standards manual during our review visit.

Once the GIS is in place and functioning, the appraisers will be able to capture many land characteristics using maps and then verifying or fine-tuning those during the inspection process. Accurate land valuation depends on capturing the major influences that affect value.

- *Land Modeling* – The appraisers should increase their skills using Excel. At least one appraiser with strong Excel skills should begin to develop base land models that can be used in their CAMA system for mass valuation of land by neighborhood.

Why it's important

The law requires that all parcels in a county be appraised every year at 100 percent of market value. It is imperative that mass appraisal techniques are used because it is the most efficient method available to value all parcels every year. It allows for uniform treatment of taxpayers and consistent application of market trends to all parcels.

Geographical Information System (GIS)

Recommendation

The Department recommends the Assessor obtain GIS for more efficient and accurate appraisals and for implementation of a mass appraisal system.

What we found

The County will be releasing an RFP (request for proposal) to obtain countywide GIS. Currently the City of Pullman is developing their own GIS with a parcel layer based on information that the Assessor has provided them. The City of Pullman's information is 80 percent finished and will be available to the Assessor once it is completed. Currently, Whitman County is the only county in the state without GIS.

Action recommended

The Assessor should continue working with the other county departments to obtain a countywide GIS system. In addition, county staff should be trained and continue to develop a parcel layer for the entire county. Ideally, GIS should contain the necessary information required for performing mass appraisal.

Why it's important

GIS allows for mapping of CAMA data so it can be observed geographically. Here are some of the characteristics a GIS parcel layer can provide information about:

- Delineation of Inspection Areas, Regions, Market Areas, and/or Neighborhoods
- Sale prices
- Assessed values
- Land and improvement characteristics
- Work assignments and inspection dates
- Neighborhoods
- Market trends
- Ownership information
- Miscellaneous information pertinent to the market

Field Devices

Recommendation

The Department recommends the Assessor continue pursuing new field devices for property inspections.

What we found

The Assessor currently does not have a sketch for each parcel in their CAMA system. The only sketch is an image in their archives. This information was not transferred over from their old system because of the cost. In addition, taking photos and loading them is an extremely time-consuming task as each photo is manually loaded. Having field devices will allow the appraisers to begin sketching parcels during each inspection and taking a photo that automatically uploads to the parcel.

Action recommended

The Department recommends the Assessor continue pursuing new field devices. As part of this enhancement, the Assessor should provide guidance to appraisers including: expectations for using field inspections, data that should be collected in order to implement mass appraisal, procedure for sketching, and taking photos using the new field device. Capturing characteristics that have not been captured before, especially land data, is essential to developing land and improvement models for mass appraisals.

Why it's important

Field devices can save time, increase productivity, and reduce expenses by mapping your inspection routes. This benefit would prevent duplication of inspected parcels. Here are some other benefits that field devices can provide:

- Automatic photo uploads
- Interactive sketching
- Interactive GIS maps

Next Steps

Prioritizing Requirements and Recommendations

The Department is committed to assisting the Assessor in the implementation of the requirements and recommendations contained in this report. Once the Assessor receives a final copy of this review, the Department will (if requested) consult with the Assessor to help prioritize the work that must be completed.

Follow-up

The Department is committed to the success of the Assessor by ensuring they comply with state statutes and regulations.

The Department will follow up in nine months to review the changes implemented. This will give the Assessor an opportunity to provide information to the Department about any issues they encountered during the implementation process.

Questions

For questions about specific requirements or recommendations in our report, please contact the Property Tax Division at (360) 534-1400.

For additional information contact:

Washington State Department of Revenue
Property Tax Division
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Olympia, WA 98504-7471
(360) 534-1400
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