

P. O. Box 47471  
Olympia, WA 98504-7471

# Washington Department of Revenue Property Tax Division

## 2018 Review of the Island County Board of Equalization



# Table of Contents

Overview.....3

Executive Summary .....4

Requirements .....6

    Waiver of Filing Deadline for Good Cause.....7

Recommendations.....8

    Confidential Information .....9

Next Steps..... 10

# Overview

---

---

## Introduction

The Department of Revenue (Department) conducted an on-site interview with the Clerk of the Island County Board of Equalization (Clerk). The interview focused on the Island County Board of Equalization's (Board) processes and procedures.

## Purpose

The Department's primary purpose of this review is to assist the Board in their processes and procedures to ensure compliance with state statutes and regulations.

An effective review of the methods employed by the Board in administering the assessment appeal process will promote fair, timely, and uniform property tax assessments.

## Scope of Review

The review is limited in scope. We reviewed administrative procedures for compliance with state statutes and regulations.

## Information Reviewed

To complete our review, we gathered information about the administration of the Board through interviews, documents provided by the Clerk, and independent verification. The areas we reviewed included, but were not limited to:

- Petitions for appeal 2016 assessment year for taxes payable in 2017
- Hearing procedures
- Deliberation process
- Board orders
- Regular convened session
- Reconvening processes
- Publications, forms, literature, and website
- Board policies

## Acknowledgment

We thank the Board and Clerk for their cooperation throughout our review. We commend the Board for their 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 Board's office. We interviewed the Board's staff about the processes and procedures used in hearing appeals.

## 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 Clerk and the Board. A change is required to adhere to the law.
- The second category, *Recommendations*, requires the attention of the Board. The Department believes the Board could improve their performance and service to the public by making voluntary changes in procedures.

The Department bases requirements and recommendations contained in our reports on our review 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 one requirement and one recommendation directed toward improving the Board's methods.

The items identified may be specific to the Clerk's duties, the Board's duties, county legislative authority duties, or they may have shared components of responsibility. A summary of these items follows.

## **Executive Summary,** continued

---

### **Requirements**

1. The Board is required to inform the appellant their petition will be denied unless the appellant promptly requests a good cause waiver of the filing deadline.

### **Recommendations**

1. The Department recommends the Board keep confidential information in a sealed envelope marked confidential.

# Requirements

---

---

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

This section contains the items we identified in our interview.

## Waiver of Filing Deadline for Good Cause

---

### Requirement

The Board is required to inform the appellant their petition will be denied unless the appellant promptly requests a good cause waiver of the filing deadline.

### What the law says

The appeal petition must be filed with the board on or before July 1 of the assessment year or within 30 days, or up to 60 days if a longer time period is adopted by the county legislative authority, whichever is later.

No late filing of a petition shall be allowed unless the appellant **requests and** can show good cause to waive the filing deadline. A petition that is filed after the deadline without a showing of good cause must be dismissed by the board and returned to the petitioner. To reinstate the petition, the appellant must show good cause, within a reasonable time, for the board to waive the filing deadline. The board of equalization's decision to waive the filing deadline for good cause is not appealable to the State Board of Tax Appeals (BTA). (RCW 84.40.038 and WAC 458-14-056)

### What we found

The Clerk sends an appeal denial notice when an appellant does not have a complete and timely filed petition, *Order of the Board Rejecting Appeal as Untimely Filed*. The denial notice does not inform the petitioner they may request a waiver of the filing deadline if they promptly show good cause. The notice contains conflicting information, it references WAC 458-14-056(3) and states the petition shall be postmarked no later than the filing deadline.

- WAC 458-14-056(4) contains language regarding the postmark deadline.
- WAC 458-14-056(3) provides the requirements for a good cause waiver of the filing deadline.

### Action needed to meet requirement

The Board is required to take the following action:

- Add the good cause reasons to the appeal denial notice sent to appellants when denying a petition. The addition of the good cause reasons will provide petitioners with information that may allow them to continue the appeal process. If the appellant does not request a good cause waiver and meet one of the good cause reasons, the Board must deny the petition. The decision to either accept or deny the appellant's request to waive the filing deadline is not appealable to the BTA. (WAC 458-14-056(3))

### Why it's important

Properly administering petitions ensures equity and provides a fair process for the appellant and assessor.

## Recommendations

---

---

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

This section contains the items we identified in our interview.



## Confidential Information

---

### Recommendation

The Department recommends the Board keep confidential information in a sealed envelope marked confidential.

### What we found

When a petition file contains confidential information, the Clerk marks the entire file confidential, and it is stored in a locked cabinet. The confidential documents within the file are not kept in a sealed envelope within that file to designate they are filed separately, as confidential, and cannot be disclosed to the public.

### Action recommended

The Department recommends the Board take the following action:

- Keep the confidential documents within a paper file in a sealed envelope, labeled with the notation “confidential evidence” and the case number (WAC 458-14-095). The Clerk should not include any non-confidential documents in the envelope designated confidential. This process maintains a separate file for confidential records, reducing the risk of releasing documents to the public that are not subject to public disclosure.

### Why it’s important

Proper handling of evidence prevents accidental disclosure of confidential information and instills taxpayer confidence in the Board.

## Next Steps

---

---

### **Prioritizing Requirements and Recommendations**

Once the Clerk and Board receive a final copy of this review, the Department will (if requested) consult with them to prioritize the items listed in the report.

### **Follow-up**

The Department will follow up in six months to review the changes implemented. This will give the Board an opportunity to provide information to the Department about any issues 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  
PO Box 47471  
Olympia, WA 98504-7471  
(360) 534-1400  
<http://dor.wa.gov>