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# Washington Department of Revenue Property Tax Division

## 2018 Review of the Walla Walla County Board of Equalization



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# Overview

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## Introduction

The Department of Revenue (Department) conducted an on-site interview with the Clerk of the Walla Walla County Board of Equalization (Clerk). The interview focused on the Walla Walla 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 2017 assessment year for taxes payable in 2018
- 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

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## 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 three requirements and three recommendations 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

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### **Requirements**

1. The Clerk is required to keep and publish a record of the Board's proceedings.
2. The Board is required to only accept complete and timely filed petitions.
3. The Board is required to include a copy of the value change notice or other determination with all petitions filed after July 1. (RCW 84.40.038 and WAC 458-14-056)

### **Recommendations**

1. The Department recommends written policies be created that allows Board Members to recuse themselves from hearings when possible to prevent the appearance of conflicts of interest and ex parte are in question. (WAC 458-14-146) (WAC 458-14-160)
2. The Department recommends the Board develop a desk reference manual for the Board's administrative duties.
3. The Department recommends the Board post the dates of the three required meetings during the regular session.

# Requirements

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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.

## Record of Hearing

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### Requirement

The Clerk is required to keep and publish a record of the Board's proceedings.

### What the law says

The statute requires the clerk to maintain a journal or record of the board of equalization's proceedings and orders. Publish the record in the same manner as other proceedings of the county legislative authority. (RCW 84.48.010 and WAC 458-14-095(5))

### What we found

The Clerk does not complete the Record of Hearing. During the interview, the Clerk stated she was not aware of the form or the requirement to post the Record of Hearing.

### Action needed to meet requirement

The Board is required to take the following action:

- The Clerk must complete the Record of Hearing (REV 60 0002) and include it in each appeal file.
- Publish the form in the same manner as other county legislative authority proceedings.

### Why it's important

The record serves as a public summary of the actions taken by a board of equalization for each hearing.

## Timely Filed Petitions

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### Requirement

The Board is required to only accept complete and timely filed petitions.

### What the law says

The sole method of appealing an assessor's determination to a board of equalization is by means of a properly completed and timely filed petition. 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 the county legislative authority adopts a longer time period, whichever is later. (RCW 84.40.038 and WAC 458-14-056)

### What we found

The Assessor mailed out the Change of Value Notices on September 29, 2017. The deadline to file petitions for the 2017 assessment year was October 29, 2017. Of the eight petition files reviewed, three files were received after October 29.

The Clerk had not date stamped two of the eight petitions when received. The Clerk wrote the postmark date on the file, under office use only. Postmarked envelopes were not with the petition files provided.

### Action needed to meet requirement

The Board is required to take the following action:

- All petitions are required to be date stamped with postmark date, or the envelope must be retained in the file.

### Why it's important

Proper administration of petitions ensure equity and uniform treatment of the appellants and assessors across the state.

## Value Change or Other Determination Notice to Accompany Petition

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### Requirement

The Board is required to include a copy of the value change notice or other determination with all petitions filed after July 1. (RCW 84.40.038 and WAC 458-14-056)

### What the law says

Boards of equalization must only consider complete and timely filed taxpayer petitions. Petitions must be made on a form prescribed or approved by the Department. Any petitions not conforming to the requirements on the form cannot be considered complete.

### What we found

During the review of the Board's files, we discovered six of the eight petitions filed after July 1 did not include a copy of the value change notice or other determination notice made by the Assessor as required on the petition form.

### Action needed to meet requirement

Petitions made after July 1 that do not include a value change notice or other determination notice must be returned to the taxpayer with a letter explaining it is unclear if the petition was filed timely or not. The letter should include a reasonable deadline for the taxpayer to return the petition with the appropriate value change notice or other determination notice. If the petition is not returned by the deadline stated, the petition must be rejected. The rejection letter must include appeal rights to the Board of Tax Appeals (BTA).

### Why it's important

Without a copy of the value change notice or other determination notice when the petition is received after July 1, it is impossible to determine if the petition has been filed timely. Only complete and timely filed petitions can be granted a hearing.

## Recommendations

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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.

## **Conflict of Interest and Appearance of Ex Parte**

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### **Recommendation**

The Department recommends written policies be created that allows Board Members to recuse themselves from hearings when possible to prevent the appearance of conflicts of interest and ex parte are in question. (WAC 458-14-146) (WAC 458-14-160)

### **What we found**

The Clerk indicated the Board does not have written policies to assist the members in recognizing possible situations involving conflict of interest or ex parte contact. The Clerk did state that Board Members have recused themselves involving potential appearance of ex parte in the past.

### **Action recommended**

Develop written policies to avoid the appearance of a conflict of interest and ex parte contact.

### **Why it's important**

Both the United States Constitution and Washington Constitution guarantee due process. Part of due process includes the right to an impartial hearing. If the perception of a conflict of interest exists, the assessor and appellant's due process will also be in question.

## Desk Reference Manual

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### Recommendation

The Department recommends the Board develop a desk reference manual for the Board's administrative duties.

### What we found

The Board does not have a desk reference manual.

### Action recommended

The Department recommends the Board:

- Develop a desk reference manual, which may include policy information and systematic procedures on how to administer Board duties. The Board and Clerk should follow procedures as stated in the manual.

### Why it's important

Desk reference manuals are useful for training staff, maintaining consistency within the board, and a good tool in the event of unexpected staff absences.

## Regularly Convened Session

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### Recommendation

The Department recommends the Board post the dates of the three required meetings during the regular session.

### What we found

The Board holds three meetings as required by WAC 458-14-046, but only publishes the dates on the courthouse bulletin board.

### Action recommended

The Department recommends the Board:

- Publish dates of the three required meetings in the Assessor's Office, courthouse bulletin board, and newspaper. Revenue Form 64 0050 is available on the Property Tax Resource Center and DOR Website.

### Why it's important

Posting the Board's meeting dates serves as a public record and provides transparency of the government process.

## Next Steps

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### **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:

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