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# Washington Department of Revenue Property Tax Division

## 2020 Review of the Spokane County Board of Equalization



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# Overview

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## Introduction

The Department of Revenue (Department) conducted a phone call interview with the Clerk of the Spokane County Board of Equalization (Clerk). The interview focused on the Spokane 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 2019 assessment year for taxes payable in 2020
- 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 a phone call interview with the Clerk of the Board 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 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

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### **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.
2. The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Spokane County Assessor (Assessor) offers a stipulated value agreement or different value.
3. The Clerk is required to notify the taxpayer and assessor of all the board's decisions.

### **Recommendations**

1. The Department recommends the Board update their website to include the most current real property, personal property, and current use petition forms on their website.

## Requirement – Waiver of filing deadline for good cause

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### 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. The denial notice does not inform the petitioner they may request a waiver of the filing deadline if they promptly show good cause.

### 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.

## Requirement – Board Orders

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### Requirement

The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Spokane County Assessor (Assessor) offers a stipulated value agreement or different value.

### What the law says

If a taxpayer shows by clear, cogent, and convincing evidence that a specific value within an overall assessed value is incorrect, then the standard of proof shifts to preponderance of the evidence for all contested issues related to that specific value. (RCW 84.40.0301 and WAC 458-14-046)

### What we found

One of the board decision letters (Petition 19-0895) reviewed by the Department included a stipulated value agreement or different value offered by the Assessor. This reduces the standard of proof to a preponderance of evidence. The order issued by the Board incorrectly stated the standard of proof to overturn the Assessor's value was clear, cogent, and convincing.

### Action recommended

The Department recommends the Board:

When the Assessor offers a stipulated value agreement or recommends a different value, a preponderance of evidence is the standard of proof.

### Why it's important

When the Assessor recommends a different value, they have acknowledged their certified value is not correct.

## Requirement – Board Decisions

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### Requirement

The Clerk is required to notify the taxpayer and assessor of all the board's decisions.

### What the law says

The law requires that the board must notify the taxpayer and assessor of the board's decision within forty-five days of any hearing on the taxpayer's appeal of the assessor's valuation of real or personal property. (RCW 84.48.010(2))

### What we found

The Board has not consistently provided both the taxpayer and assessor of their decisions.

### Action needed to meet requirement

The Board is required to take the following actions:

- The Board must notify the taxpayer and assessor of the board's decision within forty-five days of any hearing on the taxpayer's appeal of the assessor's valuation of real or personal property.

### Why it's important

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



## Recommendation – Board of Equalization Website

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### Recommendation

The Department recommends the Board update their website to include the most current real property, personal property, and current use petition forms on their website.

### What we found

The Board's website offers guidance on how to appeal your property assessment. Information on the website includes:

- Downloadable version of the Taxpayer Appeal form "Real Property Petition to the Spokane County Board of Equalization" (Form REV 64 0075, version 3/2018).
- Downloadable version of the Taxpayer Appeal form "Personal Property Petition to the Spokane County Board of Equalization" (Form REV 64 0076, version 3/2018).
- Downloadable version of the Taxpayer Appeal form "Real Property Petition to the Spokane County Board of Equalization" (Form REV 64 0077, version 3/2018).

These forms were last updated in June 2019.

### Action recommended

The Department recommends the Board include the option to download the:

- Real Property Appeal form (REV 64 0075)
- Personal Property Appeal form (REV 64 0076)
- Current Use Determination form (REV 64 0077)
- Exemption or Deferral Determination form (REV 64 0090)

If the Board does not use a customized appeal form for these purposes, a link to the Department's website should be added to the county website to provide access to these forms.

### Why it's important

It is important that the appellant use the correct appeal form to notify a board of equalization and assessor of their concerns. Having all appeal forms available on the county website or link to the Department's website allows access to the correct appeal forms any time of day.

## 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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