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# Washington Department of Revenue Property Tax Division

## 2021 Review of the Stevens County Board of Equalization



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# Overview

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## Introduction

The Department of Revenue (Department) conducted an interview with the Clerk of the Stevens County Board of Equalization (Clerk). The interview focused on the Stevens 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 2020 assessment year for taxes payable in 2021
- 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 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 four requirements and four 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**

- The Board is required to acquire approval, in writing, from the County Legislative Authority to continue to hold hearings after the regular 28-day session.
- The Board is required to update their canned language to remove inaccurate statements.
- The Board is required to accept evidence of sales made within five years of the date of the petition.
- The parties to an appeal are required to provide evidence to both the Board and the opposing party at least 21 business days prior to the hearing.

### **Recommendations**

- The Department recommends updating information on the Board's website.
- The Department recommends the Board use the most current versions of forms.
- The Department recommends updating some of the letter templates provide by the Board.
- The Department recommends the Clerk update the BOE Clerk Desk Reference Manual.

## Requirement – Regularly convened sessions

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### Requirement

The Board is required to acquire approval, in writing, from the County Legislative Authority to continue to hold hearings after the regular 28-day session.

### What the law says

Boards of equalization meet on the later of July 15 or within 14 days of the assessor certifying the county assessment roll to the board, whichever is later; for a minimum of three days, but for no more than 28 calendar days. The county legislative authority may reconvene the board of equalization when the number of timely filed petitions exceeds 25, or 10 percent of the number of appeals filed in the preceding year, whichever is greater ([RCW 84.48.010\(4\)](#)).

### What we found

The Clerk indicated they received verbal approval from the County Legislative Authority, but that it was not formally documented.

### Action needed to meet requirement

The Board must request the authorization of the county legislative authority to be reconvened after their regular 28-day session when the number of timely filed petitions exceed 25, or 10 percent of the number of appeals filed in the preceding year, whichever is greater.

The Department recommends the authorization be in writing. *Notice of Approval to Hear Property Tax Appeals* (form REV 64 0049e) is available on the [Property Tax Resource Center](#) website.

### Why it's important

Proper authorization to convene ensures that the county legislative authority is aware of the board of equalization's workload.

## Requirement – Board orders

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### Requirement

The Board is required to update their canned language to remove inaccurate statements.

### What the law says

The order must be on a form provided by or approved by the Department. The order must be well reasoned and state the facts and evidence used to make their decision. (RCW 84.48.010 and WAC 458-14-116)

### What we found

Some of the canned language the Board uses either includes incorrect information. Below are two numbered canned statements that the Board provided that have incorrect information:

Issues	Department’s concern
#4: “Assessment information and documentary evidence provided by the Assessor supports the assessed value”.	The assessor’s value is assumed to be correct, the burden of proving the value incorrect lies with the petitioner.
#9: “Although the petitioner provided some comparable sales, the sales couldn’t be used as the sale dates occurred outside of the assessment cycle. The assessment date is January 1 <sup>st</sup> , 2019 so the assessment cycle would be sales occurring prior to that date & up to 5 years prior”.	Only sales made within five years of the date of the petition shall be considered. WAC 458-14-087(2)
There is no canned language for when the burden of proof shifts to a preponderance of evidence.	Ensuring the correct burden of proof is being used and that language is ready for each situation.

### Action needed to meet requirement

The Board is required to take the following action:

- The Department provided the Clerk with many examples of approved canned language to be implemented and incorporated into their canned language.

### Why it’s important

A well-written order will assist both parties of the appeal to understand the decision reached by the board of equalization. A well-reasoned decision stating the facts about the subject property and the evidence supplied by both the appelland and assessor indicates the board of equalization reviewed the evidence offered.

## Requirement – Comparable sales

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### Requirement

The Board is required to accept evidence of sales made within five years of the date of the petition.

### What the law says

Parties may submit and boards may consider any sales of the subject property or similar properties which occurred prior to the hearing date so long as the requirements in RCW 84.40.030, 84.48.150, and WAC 458-14-066 are complied with. Only sales made within five years of the date of the petition shall be considered.

WAC 458-14-087(2)

### What we found

In the Board Order for petition 20-09, the Board indicated two of the petitioner's comparable sales occurred in 2020 therefore outside of the assessment cycle and could only be considered for 2021 assessment year value. However, the sale dates of these two comparable sales were July 6, 2020 and September 1, 2020, which are within five years of the petition therefore admissible.

### Action needed to meet requirement

The Board should be allowing comparable sales made within five years of the petition date, not the assessment date.

### Why it's important

Allowing comparable sales within the timeframe dictated by the law allows fairness and consistency in the appeal process.

## Requirement – Exchange of evidence prior to hearing

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### Requirement

The parties to an appeal are required to provide evidence to both the Board and the opposing party at least 21 business days prior to the hearing.

### What the law says

When a taxpayer provides additional evidence after the petition is filed, they must submit a copy to the assessor's office and the board at least 21 business days prior to the hearing.

RCW 84.48150 & WAC 458-14-066(4)

### What we found

In at least one instance, the Clerk forwarded evidence provided by the assessor to the petitioner (Petition 20-21).

The Clerk provides a deadline on the Notice of Hearing letter to let the petitioner and assessor know the date they need to provide evidence. However, at least four petition files had Notice of Hearing letters that had incorrect deadlines for each part to provide evidence for the hearing.

### Action needed to meet requirement

The Clerk is required to take the following actions:

- Discontinue the practice of forwarding evidence submitted by the parties. Petitioners must provide both the Board and the Assessor any additional evidence.
- Use a deadline of 21 business days prior to a hearing for providing additional evidence for an appeal. This could be accomplished by replacing the deadline date box with the following language: petitioners have 21 business days to provide additional evidence. Use of this statement decreases the chance of the Board giving incorrect written advice to petitioners.

### Why it's important

Accurate appeal information ensures the Board provides fair and equitable due process for all parties involved in the appeal process.

## Recommendation – Board website

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### Recommendation

The Department recommends updating information on the Board’s website.

### What we found

The Board’s website provides valuable information, however, some of the information is outdated:

#### Appealing Your Property Value:

- Indicates that all areas on the petition must be completed, however, only sections 1-5 are required.
- States that petitions are due 30 days after the change of value notice is mailed, however, Stevens County’s window is 60 days.
- States the petitioner will receive a notice of hearing at least 15 days prior to the hearing date, however, this has changed to 22 business days.
- States the petitioner will receive a packet of information including the Assessor’s response, however, this should be 21 days.

#### Links:

- The Board of Tax Appeals petition form is outdated, a current version can be found on the State Board of Tax Appeals website [here](#).

### Action recommended

The Department recommends the Board update their website as detailed above with current information.

### Why it’s important

Accurate appeal information ensures the Board provides fair and equitable due process for all parties involved in the appeal process.

## Recommendation – Forms

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### Recommendation

The Department recommends the Board use the most current versions of forms.

### What we found

The Board is using several outdated forms:

- REV 64 0075 – Taxpayer Petition to the County BOE for Review of Real Property Valuation Determination
- REV 64 0058 – Order of the County Board of Equalizaation
- REV 64 0077 – Petition for Review of Current Use or Designated Forest Land Determination
- REV 64 0078 – Assessment Roll Corrections Agreed to by the Taxpayer

### Action recommended

The Department recommends using most up-to-date forms. The Department sends out quarterly updates to forms and maintains them on the [Property Tax Resource Center website](#). Any forms meant for petitioners should be linked or provided by [dor.wa.gov](http://dor.wa.gov) forms page.

### Why it's important

The Department updates forms for accuracy and consistency as laws, policies, and procedures change. Using the most up-to-date forms will ensure accurate and current information.

## Recommendation – Letters

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### Recommendation

The Department recommends updating some of the letter templates provided by the Board.

### What we found

1. In the Board’s custom “Preparing Your Appeal” letter, several of the petitions had not been updated to reflect the current assessment year at the time. For example, the “Preparing Your Appeal” letter for petition 20-06 still had 2019 assessment year information.
2. Also in the “Preparing Your Appeal”, it states comparable sales provided need to be within five years of the assessment date (January 1 of assessment year), WAC 458-14-087(2) allows comparable sales five years from the petition date.
3. The “Incomplete Petition” letter template states that all areas on the petition need to be filled out. Boxes 1-5 on the petition are the only necessary to consider the petition complete.

### Action recommended

1. Make sure all letters and forms are updated each year to reflect the current assessment year and tax year.
2. Update the “Preparing Your Appeal” document to reflect the correct window for which comparable sales can be provided.
3. Update the incomplete petition letter to indicate that sections 1-5 of the petition are required for the petition to be considered complete.

### Why it’s important

Accurate appeal information ensures the Board provides fair and equitable due process for all parties involved in the appeal process.

## **Recommendation – Desk reference manual**

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### **Recommendation**

The Department recommends the Clerk update the BOE Clerk Desk Reference Manual.

### **What we found**

The Clerk provided the desk reference manual, however it has some outdated information:

- Page 2: States the time frame for filing petitions is 60 days in Stevens County until the end of the 2013 assessment year. The County Legislative Authority signed Resolution 11-2019 that adopted the 60-day appeal window.

### **Action recommended**

The Department recommends the desk reference manual is updated annually to reflect any updates.

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

Board processes should be updated and accurately documented. Desk reference manuals are useful for training and a good tool in preventing knowledge loss. It will also ensure the Board's procedures adhere to Washington statutes and county practices.

## 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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