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Washington Department of Revenue Property Tax Division

2019 Review of the Jefferson County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted an on-site interview with the Clerk of the Jefferson County Board of Equalization (Clerk). The interview focused on the Jefferson 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

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 eight 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

Requirements

1. The Clerk is required to keep and publish a record of the Board's proceedings.
2. The Board is required to include a copy of the Assessor's value notice or other determination as proof of a complete and timely filed petition for an appeal of valuation when the petition is filed after July 1 of the assessment year in question.
3. The Board must make a decision based on the Assessor's presumption of correctness and the evidence as presented to them by the parties involved.
4. The Board is required to hold a regular convened session beginning on July 15 or within 14 days of the Assessor certifying the county assessment roll to the Board.
5. The Board is required to request approval of the county legislative authority to continue to hold hearings after the regular 28-day session.
6. The Board is required to dispose of all petitions that are filed timely and have not been officially withdrawn.
7. The Board is required to hold a hearing and make a decision on a properly filed petition that has not been withdrawn.
8. The Board is required to hold a hearing and make a decision when the appellant has submitted a complete and timely filed petition.

Recommendations

1. The Department recommends the Board include the personal property, exemption, and current use petition forms on their website.
2. The Department recommends the Board accept taxpayer petitions as complete with the original petition form or a copy of the original petition form.
3. The Department recommends the Board accept the Assessor's certification of the assessment roll, without voting to accept.

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.

Record of hearing

Requirement

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

What the law says

The law requires the clerk to maintain a journal or record of the board of equalization's proceedings and orders. The record must be published 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 eight petition files reviewed did not contain the Board Clerk's Record of Hearing form, as required by statute.

The Clerk publishes a Board Clerk's Record of Hearing form for each hearing that does not include the Board's decision. The form is published in the Board's meeting minutes corresponding to the hearing date, on the county legislative authority's website. It appears the decision is not included on the form because it is published before the Board decides the appeal.

Action needed to meet requirement

The Clerk is required to take the following actions:

- Complete a Board Clerk's Record of Hearing form for each hearing, including the Board's decision, and include it in each appeal file.
- Publish a completed Board Clerk's Record of Hearing form for each hearing, including the Board's decision, on the county legislative authority's website. This could be accomplished by publishing the form on the date the Board makes its decision, instead of on the hearing date.

Why it's important

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

Complete and timely petitions

Requirement

The Board is required to include a copy of the Assessor's value notice or other determination as proof of a complete and timely filed petition for an appeal of valuation when the petition is filed after July 1 of the assessment year in question.

What the law says

A petition of value may be accepted by the Board as long as it is filed timely, on or before July 1 of the assessment year or within 30 days, unless the county legislative authority has extended the appeal period up to 60 days, after the date the value change notice was mailed, whichever is later.
(RCW 84.40.038 and WAC 458-14-056)

The appeal must be on forms as prescribed or approved by the Department and be complete.

What we found

It is unclear if seven of the eight files reviewed were filed timely. Seven files were submitted after July 1 of the assessment year in question and did not include a value change notice, supporting the timeliness of the appeal submission after July 1.

The Clerk date stamps the petitions when received but does not retain copies of the envelopes, including the postmark, for those petitions.

The *Appeal Form Missing Page* letter, provided to the Department, contains incorrect information. The letter states in part, that page one of the two page form has been received timely and once you return the second page of your appeal form a hearing will be scheduled. A petition form is complete when page one of the form has been completed, filling in page two is not a requirement.

Action needed to meet requirement

The Board is required to take the following actions:

- Require a copy of the Jefferson County Assessor's (Assessor) value notice or other determination with all petitions submitted after July 1 of the assessment year in question, to assist in determining if the petition is timely filed. If the petitioner does not provide this document with the petition, the Clerk is required to take the following actions:
 - Send the petitioner a notice of incomplete petition requesting a copy of the value notice or other determination. The notice should include a deadline as to when the petitioner must reply and inform the petitioner they may request a waiver of the filing deadline for good cause.
 - Retain copies of the envelopes, including the postmark, for all petition files, both timely and untimely filed.

Complete and timely petitions, continued

Why it's important

Proper documentation of complete and timely filed appeals assures both the assessor and the taxpayer due process.

Investigation by board members

Requirement

The Board must make a decision based on the Assessor's presumption of correctness and the evidence as presented to them by the parties involved.

What the law says

The Board must make decisions, with respect to the value of property, to ensure there is uniformity of assessment and all property is valued at one hundred percent of true and fair value. (RCW's 84.40.030, 84.48.046 and WAC 458-14-087)

What we found

The Board is conducting their own property inspections, on a limited basis, to aid them in their decisions. The Clerk provided the Department with the Board's Fileform used to track the progress of a petition, it contains space to enter the date of an onsite inspection and the initials of the member who completed the inspection.

In addition, the Jefferson County Board of Equalization Procedures Manual provided to the Department includes a section outlining the Board's practice of conducting their own inspections of property on a limited basis.

Action needed to meet requirement

The Board is required to take the following actions:

- Discontinue the practice of conducting onsite inspections of petitioned property.
- Remove all language in the Board's procedure manual that states Board members may do onsite inspections of petitioned properties. Since this has been an accepted practice in the past, the Clerk may wish to add language to the manual that specifically states Board members may not do their own inspections of petitioned properties.
- Remove the language within the Board's Fileform that refers to onsite inspections by the board members.

Why it's important

The Board's position as a neutral party provides fairness and impartiality within the property tax appeals process.

Regular Convened Session

Requirement

The Board is required to hold a regular convened session beginning on July 15 or within 14 days of the Assessor certifying the county assessment roll to the Board.

What the law says

Boards of equalization must meet annually for a minimum of three days but not more than 28 calendar days for the purpose of equalizing property values and hearing taxpayer appeals. Boards meet on July 15 or within 14 days of the assessor's certification of the county assessment roll to the Board, whichever is later. (RCW 84.48.010 and WAC 458-14-046)

What we found

The Board did not meet within 14 days of the Assessor's certification of the assessment roll to the Board. The Assessor certified the 2017 assessment roll for the 2018 tax year on November 3, 2017, requiring the Board to meet on or before November 16, 2017. The Board's first meeting for the 2017 assessment year was on January 23, 2018.

Action needed to meet requirement

The Board is required to take the following actions:

- Meet on July 15 or within 14 days of the Assessor's certification of the assessment roll to the Board, whichever is later.

Why it's important

Meeting as required by statute helps ensure the property tax process is completed as directed by law, so taxpayers will receive property tax statements timely.

Approval to reconvene board after the regular 28-day session

Requirement

The Board is required to request approval of the county legislative authority to continue to hold hearings after the regular 28-day session.

What the law says

The Board must make a request to the county legislative authority to reconvene when they have 25 or more pending petitions or 10 percent of the number of petitions from the preceding year, whichever is greater. (RCW 84.48.010 and WAC 458-14-046)

What we found

The Board continued to hold hearings after the 2017 assessment year's regular 28-day session ended, without receiving approval from the county legislative authority to convene after the 28-day session.

Action needed to meet requirement

The Board is required to take the following action:

- The Board must request approval from the county legislative authority to reconvene after their regular 28-day session to hear timely filed petitions, the request and authorization should be in writing. The Board may wish to use the Department's *Notice of Approval to Hear Property Tax Appeals* form. (REV 64 0049)

Why it's important

Proper approval ensures that the county legislative authority is aware of their board of equalization's workload.

Unresolved petition

Requirement

The Board is required to dispose of all petitions that are filed timely and have not been officially withdrawn.

What the law says

The Board must hold hearings and issue orders on each properly filed petition which has not been withdrawn or otherwise disposed of. (WAC 458-14-076 and RCW 84.08.010)

What we found

The Clerk's control register listed one petition as pending for the 2017 assessment year, that remained unresolved. The Clerk stated the petition remains unresolved, the Assessor is working with the appellant to stipulate.

Action needed to meet requirement

The Board is required to take the following action:

- Hold a hearing for the outstanding 2017 petition listed on the control register and issue an order, or obtain a withdrawal or stipulation agreement for the unresolved petition.

Why it's important

Timely decisions by the Board provides fairness to the taxpayers and allows the Assessor's Office to process value changes prior to payment of property tax.

Board approval of assessment corrections and petition withdrawals

Requirement

The Board is required to hold a hearing and make a decision on a properly filed petition that has not been withdrawn.

What the law says

The board or one of its hearing examiners must hold individual hearings on each properly filed petition that has not been withdrawn or otherwise disposed of. (WAC 458-14-076)

The assessor must make a correction to the assessment roll for the current assessment year when the correction involves an error in the determination of the valuation of property and certain conditions are met. The assessor must immediately notify the board of any corrections to the assessment roll made in accordance with this rule, with a copy of the notification provided to the taxpayer, and the taxpayer's petition shall be deemed withdrawn as of the date of notification to the board. (WAC 458-14-026)

What we found

The Board meets to approve assessment corrections and petition withdrawals as documented in their meeting minutes, in the section titled "Assessment Corrections and Petition Withdrawals".

Once a petitioner withdraws their petition, or agrees to stipulate a value with the Assessor, their petition is withdrawn. The Board has no authority over stipulated agreements or withdrawn petitions.

Action needed to meet requirement

The Clerk is required to take the following action:

- Cancel board hearings for all stipulated value agreements and withdrawn petitions.

Why it's important

The Board is not responsible for making decisions for withdrawn petitions and doing so is not a good use of taxpayer property tax dollars.

Retention of petition forms

Requirement

The Board is required to hold a hearing and make a decision when the appellant has submitted a complete and timely filed petition.

What the law says

A taxpayer may appeal an assessed valuation placed on such property by the county assessor for any reason authorized by statute. The appeal must be made with a complete and timely filed petition, on the form prescribed. (RCW 84.40.038)

A taxpayer must file a timely petition for a specific assessment year to preserve their right to appeal. (WAC 458.14.056)

What we found

The Clerk provided the Department with the form letters utilized by the board. The letter provided for denial of an untimely filed petition, dated November 14, 2016 for an appeal held over from 2016, states in part, “this office will retain your petition form for consideration next year”. The only method for appealing the Assessor’s value or determination is a complete and timely filed petition for each assessment year the taxpayer wishes to appeal.

Action needed to meet requirement

The Board is required to take the following action:

- Require appellants to submit a separate petition form for each assessment year they wish to appeal.

Why it’s important

Proper documentation of complete and timely filed appeals assures both the taxpayer and the assessor due process.

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.

Board Website

Recommendation

The Department recommends the Board include the personal property, exemption, and current use petition forms on their website.

What we found

The Board's website contains:

- Guidance on how to appeal your property assessment.
- A downloadable customized version of the Department's Taxpayer Petition to the Board of Equalization for Review of Real Property Valuation Determination. This form also includes the Department's Appealing Your Property Assessment to the County Board of Equalization brochure.
- The appeal deadline.
- The current number of members and their term limit.
- The Board's location, mailing address, and phone number.

The site does not include the petition forms for appealing personal property assessments, exemption issues, or current use issues.

Action recommended

The Department recommends the Board take the following actions:

- Add the personal property appeal (REV 64 0076), the exemption or deferral determination (REV 64 0090), and current use determination forms to the website. If the Board does not use customized appeal forms, a link to the Department's website may 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.

Original taxpayer petitions

Recommendation

The Department recommends the Board accept taxpayer petitions as complete with the original petition form or a copy of the original petition form.

What we found

The Board's equalization letter, dated June 15, 2015, provided to the Department states in part; original forms must be mailed to Jefferson County BOE.

Action recommended

The Department recommends the Board take the following action:

- Accept petitions as complete with the original petition form or a copy of the petition form. Statute does not require an original signature for a complete petition.
- Remove "original" from the portion of the Board's equalization letter that states, "original forms must be mailed to Jefferson County BOE".

Why it's important

Accepting complete and timely filed petitions ensures the Board provides fair and equitable due process for all parties involved in the appeal process.

Certification of the assessment roll

Recommendation

The Department recommends the Board accept the Assessor's certification of the assessment roll, without voting to accept.

What we found

The Board met to vote on the acceptance of the Assessor's Certificate of Assessment Rolls for 2017. The Assessor is directed to certify the assessment roll to the Board by July 15 of the assessment year for the purpose of equalization, per RCW 84.40.320. The Board does not have the authority to accept or reject the Assessor's assessment roll certification.

The Clerk stated the purpose of the Board's vote to accept the Assessor's Certificate of Assessment Rolls for 2017 was to acknowledge the Assessor has certified the roll.

Action recommended

The Department recommends the Board take the following action:

- Discontinue the practice of voting to accept the Assessor's certification of the assessment roll.

Why it's important

The Board is making a decision that is outside their authority.

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:

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