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Washington Department of Revenue Property Tax Division

2018 Review of the Pacific 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 Pacific County Board of Equalization (Clerk). The interview focused on the Pacific 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 Clerk 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 five requirements and two 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 attend all hearings and keep the record of the sessions.
2. The Clerk is required to keep and publish a record of the Board's proceedings.
3. The Board is required to only accept complete and timely filed petitions.
4. The parties to an appeal are required to provide evidence to both the Board and the opposing party.
5. The Board is required to decide a taxpayer's claim of good cause waiver; these decisions may not be delegated.

Recommendations

1. The Department recommends the Board develop a desk reference manual for the Board's administrative duties.
2. The Department recommends the Board post the dates of the three required meetings during the regular session.

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.

Clerks Hearing Attendance

Requirement

The Clerk is required to attend all hearings and keep the record of the sessions.

What the law says

The Board may appoint a clerk of the board to serve at the pleasure of the members of the board, and the clerk shall attend all sessions and keep the record. (RCW 84.48.028)

What we found

The Clerk stated she does not attend the hearings; the Board is only a portion of the duties assigned to her position. The hearing examiner swears in the participants, records the hearing, and takes notes. The Clerk works closely with the hearing examiner and is aware of what is happening during each hearing.

Action needed to meet requirement

The Board is required to take the following action:

- Have the Clerk attend all hearings and keep the record of the proceedings in order to comply with statute.

Why it's important

The Clerk must attend hearings and keep the record of hearing to ensure an accurate and complete account of the proceedings is available to the public. Statute does not allow the hearing examiner to fulfill this function.

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 examined did not contain the Board Clerks Record of Hearing as required by RCW 84.48.010. The Clerk was not aware of the requirement to post the Record of Hearing. The hearing examiner completes a Hearing and Decision Worksheet during each hearing. If the start and stop time of each hearing are added, this form will meet all the requirements of the Board Clerk's Record of Hearing (REV 60 0002).

Action needed to meet requirement

The Board is required to take the following action:

- The Clerk must keep a record of hearings and include it in each appeal file, and publish the record in the same manner as other county legislative authority proceedings.

The Clerk may use the Hearing and Decision Worksheet with the addition of the time the hearing ended.

Why it's important

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

Timely Filed Petitions

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 deadline to file petitions for the 2017 assessment year was July 3. Of the eight petition files reviewed, three files were received after July 1.

The Clerk date stamps each petition when received, and stated she only retains the envelope with postmark for petitions close to the filing deadline. Two of the petitions were date stamped after July 1. The Clerk wrote the postmark date on the file under the date stamp, but did not keep the envelope in the file.

One of the petitions was received in 2016. During the interview, the Clerk stated that if a petition late for the current year, and denied for a good cause waiver, she holds the file for the next year. She checks Terra Scan to see if the value changed and will update the petition with the new assessment amount if it changed.

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.
- Discontinue the practice of holding untimely petitions until the next filing year. An appellant must file a new petition each assessment year.

Why it's important

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

Exchange of Evidence Prior to Hearing

Requirement

The parties to an appeal are required to provide evidence to both the Board and the opposing party.

What the law says

When a taxpayer provides additional evidence after the petition has been filed, they must submit a copy to the assessor's office and the board at least seven business days prior to the hearing. (RCW 84.48.150 and WAC 458-14-066(4))

HB 2479 – additional evidence is due 21 business days before a hearing. This went into effect June 7, 2018, which is after the date of we conducted the interview with the Clerk. The Department used the language of the law at the time of the interview for this report.

What we found

The Hearing Notice provided to appellants and Assessor directs appellants to provide additional documentary evidence to the Board, and the Clerk will forward a copy to the Assessor's office.

Action needed to meet requirement

The Board is required to take the following action:

- Remove this from the Hearing Notice.
- Discontinue the practice of forwarding evidence submitted by the parties.

Why it's important

The Board should not distribute appellant evidence to the assessor; this does not support the appearance of independence between the board and assessor's office.

Late Filing Delegation to Clerk

Requirement

The Board is required to decide a taxpayer's claim of good cause waiver; these decisions may not be delegated.

What the law says

The board must decide a taxpayer's claim of good cause without holding a public hearing on the claim and must promptly notify the taxpayer of their decision in writing. The board's decision is final and not appealable to the state board of tax appeals. (WAC 458-14-056)(3))

The Clerk may make a recommendation to the Board, but the Board must make the final decision.

What we found

The Board has delegated the Clerk authority to grant late filing waivers and reconvene requests.

Action needed to meet requirement

The Board is required to take the following action:

- The Board must make the decision on a good cause waiver claim.

Why it's important

The legislature has given the responsibility for determining late filing waivers and reconvene requests to boards of equalization, and has not included a provision allowing boards of equalization to delegate this responsibility.

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.

Desk Reference Manual

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

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 does not publish the dates.

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

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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