

P. O. Box 47471
Olympia, WA 98504-7471

Washington Department of Revenue
Property Tax Division

**2011 Review
Of the
Whatcom County Board of
Equalization**



October 2011

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Overview

Introduction The Department of Revenue (Department) conducted an on-site interview with the Clerk of the Whatcom County Board of Equalization (Clerk). The interview focused on Whatcom County Board of Equalization's (Board) processes and procedures.

Purpose The primary purpose of this review by the Department is to assist the Board in their processes and procedures to ensure the compliance of state statutes and regulations.

Once the Board and county legislative authority receive a final copy of this report, the Department will conduct a follow-up interview on or before July 2012 to examine the implemented changes. This will give the Board and the county legislative authority an opportunity to provide information to the Department about any issues they encountered during the implementation process.

Scope of Review The review is limited in scope. We reviewed administrative procedures for compliance with state statutes and regulations. We did not review the individual decisions made by the board.

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 (2010 assessment year for taxes payable in 2011)
- Hearing procedures
- Deliberation process
- Board orders
- Board Members and Hearing Examiners qualifications
- Regular convened session
- Reconvening processes
- Publications, forms, literature, and website

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 Clerk and the Board. We note recommendations as being in the best interest of all parties. We believe if improvements in these areas can be made, it will improve service to the public.

The Department based the requirements and recommendations contained in this report 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

In this section The Department identified two requirements and one recommendation directed towards 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. We have listed a summary of these items below.

Requirements The Department identified two procedures that the Board must change to comply with the law.

1. The Board is required to request the approval of the county legislative authority to continue hearings after the regular 28 day convened session. (RCW 84.48.010, WAC 458-14-046)
2. The Board is required to keep confidential information in a separate sealed envelope. (RCW 84.40.340, WAC 458-14-095)

Recommendation The Department identified one recommendation to improve the performance of the Board.

The following recommendations require the attention of the Board

1. The Department recommends that the Board update the publication titled *Important Information Regarding Your Appeal*, which was attached to a denial letter.
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Regular Convened Sessions

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| Requirement | The Board is required to request the approval of the county legislative authority to continue hearings after the regular 28 day convened session. (RCW 84.48.010, WAC 458-14-046) |
| What the law says | Boards of equalization meet on July 15 for a minimum of three days but for not more than 28 calendar days. The county legislative authority may reconvene the board of equalization when petitions filed exceed 25 or 10 percent of the number of appeals filed in the preceding year, whichever is greater. |
| What we found | The Clerk stated that she notified the county legislative authority via email with the number of petitions and hearing scheduled. It is unclear if the county legislative authority granted authorization to the Board to reconvene and continue hearings after their 2010 regular 28 day session or if the Board reconvened on their own. |
| Recommendation to remedy | The Board must request the authorization of the county legislative authority to be reconvened after their regular 28 day session. The Department recommends the authorization be in writing. <i>Notice of Approval to Hear Property Tax Appeals</i> (form REV 64 0049e) is available on the internet at www.dor.wa.gov . |
| Why is it important | Proper authorization ensures that the county legislative authority is aware of the Board's workload. |

Confidential Evidence

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| Requirement | The Board is required to keep confidential information in a separate sealed envelope. (RCW 84.40.340, WAC 458-14-095) |
| What the law says | Confidential evidence and testimony is exempt from public disclosure and must be placed in an envelope bearing the notation “Confidential Evidence” listing the case number, and sealed from public inspection. |
| What we found | Presently the Clerk retains petitions and evidence in separate file folders, clearly marked as confidential, with the case number noted. This confidential folder is not available to the public. |
| Recommendation to remedy | The Clerk must keep a separate sealed file for all confidential evidence. The Department recommends the Clerk keep the confidential records according to statute. |
| Why is it important | Proper handling of evidence and testimony ensures confidential information will not be disclosed inappropriately and instills taxpayer confidence in the Board. |

Appeals Publication/Hearings Information

Recommendation

The Department recommends that the Board update their publication titled *Important Information Regarding Your Appeal*.

What we found

This publication is given to the taxpayer with the late filing letter. It contains a lot of useful information; however we discovered that in the *Hearing Information* section the following sentence is incorrect.

“The Washington State Board of Tax Appeals can raise, lower, or sustain the value.”

What our concern is

Incorrect information concerning the State Board of Tax Appeals is being provided to Whatcom County stakeholders.

Recommendation to remedy

The Department recommends that the Board update the publication.

According to RCW 84.08.060 the State Board of Tax Appeals shall not raise the valuation of the property to an amount greater than the larger of either the valuation of the property by the county assessor or the valuation of the property assigned by the county board of equalization.

Why is it important

This publication should provide an accurate overview of the property tax assessment and appeal process. Relevant data and information should be listed accurately according to the statutes.

Closing Statement

Good-will

We commend the Clerk, the Board, and the county legislative authority for their willingness to look at changes to improve the administration of the appeals process.

The Department is committed to the success of your Board by ensuring the members are in compliance of state statute and regulations.
