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Washington Department of Revenue Property Tax Division

2021 Review of the Okanogan County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted a telephone interview with the Clerk of the Okanogan County Board of Equalization (Clerk). The interview focused on the Okanogan 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

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 six 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

Requirements

1. The Board is required to meet three times during the regular 28-day session.
2. The Board is required to hold a hearing and make a decision when the appellant has submitted a complete and timely filed petition.
3. The Board is required to include a value change notice or other determination with all petitions filed after July 1.
4. The Board is required to inform appellants with untimely filed petitions their petition will be denied unless the appellant promptly requests a good cause waiver of the filing deadline.
5. The Clerk is required to keep and publish a record of the Board's proceedings.
6. The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Assessor offers an adjusted value.

The Board is required to use a preponderance of evidence as the standard of proof to decide an appeal of the Assessor's determination of non-valuation appeals.

Recommendations

1. The Department recommends the Clerk use the most recent version of the Department's forms and publications.

The Department recommends the Clerk use the same letter templates for both paper and electronic communications with petitioners.
2. The Department recommends the Board post the dates of the three required meetings during the regular session.
3. The Department recommends the Board stop accepting electronic petitions as placeholders for appeals if it's their policy not to accept electronic petitions.
4. The Department recommends the Board develop a desk reference manual for the Board's administrative duties.

Requirement – Required board meetings

Requirement

The Board is required to meet three times during the regular 28-day session.

What the law says

The board of equalization is required to meet on the later of July 15 or within fourteen days of the assessor certifying the county assessment roll to the board. The board must meet for a minimum of three days during the regular convened 28-day session (RCW 84.48.010 and WAC 458-14-046).

What we found

The Board did not hold three meetings during their regular 28-day session for the 2021 assessment year. They held their first meeting on July 29, 2021, as required by law, within fourteen days of the Okanogan County Assessor's (Assessor) certification of the assessment roll. The Board did not hold a second or third meeting within the 28-day session.

Action needed to meet requirement

The Board is required to take the following action(s):

- Hold three meetings during the regular 28-day session. The Board may wish to use the Department's *Notice of Meeting of the County Board of Equalization* form (REV 64 0050) to document and publish their meeting dates.

Why it's important

Boards of equalization must meet as required to publicly examine and equalize the assessments extended in the current year on the taxable property of the county and to correct all errors in valuation, description or qualities of property assessed by the assessor.

Requirement – Untimely filed petitions

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 Board is holding untimely filed petitions for an appeal in the following year.

Two of the petition files reviewed by the Department included petitions the Board denied as untimely filed. The denial notice informed the appellants the Board would hold their petition for an appeal in the following 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(s):

- Discontinue the practice of holding untimely petitions until the next filing year. Appellants must 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.

Requirement – Incomplete petitions

Requirement

The Board is required to include a value change notice or other determination with all petitions filed after July 1.

What the law says

Boards of equalization must only consider complete and timely filed taxpayer petitions. Petitions must be made on a form prescribed or approved by the Department. Any petitions not conforming to the requirements on the form cannot be considered complete (RCW 84.40.038 and WAC 458-14-056).

What we found

During the review of the Board's files, the Department discovered that most of the petitions accepted as complete after July 1 did not include a value notice or other determination notice made by the Assessor as required on the petition form.

Action needed to meet requirement

The Board is required to take the following action(s):

- When petitions are submitted after July 1 and do not include a value change notice or other determination notice they must be returned to the taxpayer with a letter explaining the petition is incomplete. The letter should include a reasonable deadline for the taxpayer to return the petition with the appropriate value change notice or other determination notice. If the petition is not returned by the deadline stated, the petition must be denied. The denial letter must include appeal rights to the State Board of Tax Appeals (BTA).

Why it's important

Without a copy of the value change notice or other determination notice when the petition is received after July 1, it is impossible to determine if the petition has been filed timely. Only complete and timely filed petitions can be granted a hearing.

Requirement – Waiver of the filing deadline for good cause

Requirement

The Board is required to inform appellants with untimely filed petitions 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 BTA (RCW 84.40.038 and WAC 458-14-056).

What we found

Two of the petition files the Department reviewed included petition denial notices the Clerk emailed to appellants with untimely filed petitions. The denial emails do not inform the appellants 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(s):

- Add the good cause waiver reasons to the petition denial notice emailed or sent to appellants when denying untimely filed petitions. The addition of the good cause waiver 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 or makes a request but does not meet one of the good cause reasons, the Board must deny the petition. The Board must inform the appellant of their approval or denial of the good cause waiver request in writing. The denial letter should specifically state the Board is denying a good cause waiver request. The decision to either accept or deny the appellant's request to waive the filing deadline is not appealable to the BTA.

Why it's important

Properly administering petitions ensures equity and provides a fair process for the appellant and assessor.

Requirement – 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

None of the petition files reviewed by the Department contain the Board Clerk's Record of Hearing, as required by RCW 84.48.010.

Action needed to meet requirement

The Board is required to take the following action(s):

- The Clerk must keep a record of hearings, include it in each appeal file, and publish the record in the same manner as other county legislative authority proceedings. The *Board Clerk's Record of Hearing* form (REV 60 0002) is available on the Department's website (dor.wa.gov).

Why it's important

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

Requirement – Standard of proof

Requirement

The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Assessor offers an adjusted value.

The Board is required to use a preponderance of evidence as the standard of proof to decide an appeal of the Assessor’s determination of non-valuation appeals.

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 petition files reviewed by the Department includes a recommendation by the Assessor for a reduction of the assessed value. This reduces the standard of proof to a preponderance of evidence. The order issued by the Board incorrectly states the standard of proof to overturn the Assessor’s value was clear, cogent, and convincing.

Two of the petition files reviewed by the Department were appeals of decisions made by the Assessor for approval of property tax exemptions. The standard of proof required to overturn the Assessor’s decision for approval of a property tax exemption is a preponderance of evidence. The orders issued by the Board for these two appeals incorrectly stated the standard of proof to overturn the Assessor’s decision was clear, cogent, and convincing.

Action needed to meet requirement

The Board is required to take the following action(s):

- When the Assessor recommends a different value at hearing they relinquish their presumption of correctness. This means the Board must reduce the standard of proof to a preponderance of evidence to make their decision.
- Decide appeals for the Assessor’s determinations, for non-valuation appeals, using a preponderance of evidence as the standard of proof to decide the appeal.

Why it’s important

Board decisions made with the standard of proof required by law ensures equity in the appeals process, for all taxpayers.

Recommendation – Forms and publications

Recommendation

The Department recommends the Clerk use the most recent version of the Department’s forms and publications.

The Department recommends the Clerk use the same letter templates for both paper and electronic communications with petitioners.

What we found

The petition files reviewed included orders written on an outdated version of the Department’s order form. The Department’s order form used by the Clerk had a revision date of 5/2/02, the most current version is dated 5/27/17.

The Clerk uses both email and US Mail to provide petitioners with notices of incomplete or untimely filed petitions, etc. The email notices were not the same as the paper notices.

Action recommended

The Department recommends the Board take the following action(s):

- Use the most recent version of the Department’s forms and publications, available on our website (dor.wa.gov). Use of the most recent version of the appeals forms will aid the Board in making any necessary updates due to changes in the law efficiently.
- Use the same forms and letters in electronic and paper communications with petitioners. This provides consistency and efficiency in the Board’s communications. The Clerk could accomplish this by copying the pasting the language for letters and notices into an email message or including them as an attachment.

Why it’s important

Standardized forms and letters help to ensure equal due process for all parties in the appeals process.

Recommendation – Regular 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 does not publish the dates of their required meetings.

Action recommended

The Department recommends the Board take the following action(s):

- Publish the dates of their three required meetings in the Assessor's office, courthouse bulletin board, and newspaper. The Board could use the Department's form (64 0050), available on our website (dor.wa.gov).

Why it's important

Posting the Board's meeting dates serves as a public record and provides transparency of the government process.

Recommendation – Original taxpayer petitions

Recommendation

The Department recommends the Board stop accepting electronic petitions as placeholders for appeals if it's their policy not to accept electronic petitions.

What we found

The Clerk's email notice, dated September 3, 2020, provided to the Department states in part; an emailed copy of the petition would establish a placeholder to meet the deadline, however, an original petition form with the same evidence must also be mailed to Board.

Action recommended

The Department recommends the Board take the following action(s):

- 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.
- Accept petitions submitted in paper or electronic format.
- If it's the Board's policy not to accept petitions submitted electronically, discontinue the practice of accepting electronic submissions as placeholders. This practice does not support the Board's policy and results in a non-uniform process for taxpayers submitting petitions.

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.

Recommendation – Clerk’s manual

Recommendation

The Department recommends the Board develop a desk reference manual for the Board’s administrative duties.

What we found

The Clerk utilizes the Department’s County Board of Equalization Operating Manual, but does not currently have a desk reference manual.

Action recommended

The Department recommends the Board take the following action(s):

- Develop a desk reference manual, which may include policy information and specific steps to administer the duties of the Board. The goal of a desk reference manual is to provide the tools necessary to perform the duties of the Board in an efficient and professional manner. The Board should follow such manual in all of its operations and procedures.

Why it’s important

Desk reference manuals are useful for training staff, maintaining consistency within the office, and retaining institutional knowledge.

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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