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Washington Department of Revenue Property Tax Division

2021 Review of the King County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted a telephone interview with the Clerk of the King County Board of Equalization (Clerk). The interview focused on the King 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 eight requirements and one recommendation 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 accept withdrawals for petitions when submitted in writing by the petitioner.
2. 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.
3. The Board is required to keep confidential information separate and sealed from public inspection.
4. The Clerk is required to keep and publish a record of the Board's proceedings.
5. The Board is required to request and receive the approval of the county legislative authority to continue hearings after the regular 28-day convened session.
6. A taxpayer is required to provide the Board with a copy of the Assessor's Notice of Value or other determination as proof of a timely filed petition for an appeal of valuation when the petition is filed after July 1 of the assessment year in question.
7. The Board is required to inform the appellant their petition will be denied unless the appellant requests and qualifies for a good cause waiver of the filing deadline.
8. The Board is required to rely on the Department to inform a petitioner requesting a reconvene of the reconvene decision and the petitioner's right to appeal the Department's decision to the State Board of Tax Appeals (BTA).

Recommendations

1. The Department recommends the Board update their *Operations Manual*.

Requirement – Petition withdrawals

Requirement

The Board is required to accept withdrawals for petitions when submitted in writing by the petitioner.

What the law says

A taxpayer may withdraw a petition by written notice received by the board no later than 2 business days prior to the scheduled hearing (WAC 458-14-076).

What we found

Two of the petition files the Board resolved as withdrawn did not include a request to withdraw the petition by the appellant.

One of the petition files, provided to the Department, contained a handwritten note on the hearing schedule stating there was a withdrawal of the petition prior to the hearing. There was no written request for withdrawal, by the petitioner, in the file.

One of the petition files provided to the Department included a written withdrawal request, however, the request was not from the petitioner.

Action needed to meet requirement

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

- Only accept petition withdrawals when submitted in writing, by the petitioner or authorized agent.

Why it's important

Maintaining accurate records results in transparency throughout the appeals process.

Requirement – Evidence

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 84.48.150 and WAC 458-14-066(4)).

What we found

The Board's *Notice of Hearing* instructs paper filers to submit two copies of any additional evidence for their appeal to the Board of Equalization, in the Evidence Submissions section. When additional evidence is received timely, by electronic submission or hard copy, clerk staff forwards copies to the Assessor.

When a petitioner provides additional evidence to support their appeal, they must provide a copy to the Board and a copy to the King County Assessor (Assessor).

Action needed to meet requirement

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

- Discontinue the practice of forwarding evidence, submitted by the parties, to the Assessor. Petitioners must provide both the Board and the Assessor with any additional evidence they wish to submit.
- Update the *Notice of Hearing* to instruct petitioners submitting additional evidence to provide the documentation to both the Assessor and the Board.

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.

Requirement – Confidential information

Requirement

The Board is required to keep confidential information separate and sealed from public inspection.

What the law says

Confidential evidence is exempt from public disclosure and must be placed in an envelope, which is sealed from public inspection and bears the notation “confidential evidence” and the case number (WAC 458-14-095).

What we found

The Board does not keep confidential evidence in a petition file separate, labeled as confidential. Instead, when there is a public records request, the confidential information is redacted.

Action needed to meet requirement

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

- File confidential information separately within a petition file, labeled as confidential, with the petition number.

Why it’s important

Proper handling of evidence and testimony ensures confidential information is not inappropriately disclosed and reduces risk for the county.

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

The petition files reviewed did not contain the *Board Clerk’s Record of Hearing* as required by RCW 84.48.010. The hearing examiner completes a custom form, the *Hearing and Decision Worksheet*, during each hearing. This form does not contain the hearing start and stop time, recording number, and is not published.

Action needed to meet requirement

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

- 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 Board could accomplish this by:
 - Adding the hearing start and stop time and recording number to the *Hearing and Decision Worksheet*. Then publish it in the same manner as the county legislative authority meeting minutes.
 - Or
 - Using the Department’s form REV 60 0002, *Board Clerk’s Record of Hearing*. Then publish it in the same manner as the county legislative authority meeting minutes.

Why it’s important

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

Requirement – Regular convened session

Requirement

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

What the law says

The Board must make a request to the county legislative authority, and receive approval, 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 requested approval from the county legislative authority to hold hearings after the 2019 assessment year's regular 28-day session ended, in a letter dated December 4, 2019. The Board continued to hold hearings without receiving approval to convene after the 28-day session from the county legislative authority.

Action needed to meet requirement

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

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

Why it's important

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

Requirement – Complete and timely filed petitions

Requirement

A taxpayer is required to provide the Board with a copy of the Assessor's Notice of Value or other determination as proof of a 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 most of the files submitted after July 1 were filed timely, they did not include a value notice. The Clerk stated the value notice dates are verified using the King County Assessor's website.

Action needed to meet requirement

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

- Require a copy of the Assessor's 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.

Why it's important

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

Requirement – Good cause waiver request

Requirement

The Board is required to inform the appellant their petition will be denied unless the appellant requests and qualifies for 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. The board must make a decision and promptly notify the taxpayer of the decision, in writing.

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 State Board of Tax Appeals (RCW 84.40.038 and WAC 458-14-056).

What we found

The Board's electronic request form for a good cause waiver lists, *e-appeal technical issues*, as an option to qualify for a good cause waiver of the filing deadline. An e-appeal technical issue is not one of the qualifying reasons allowed in RCW 84.40.038, for a good cause waiver of the filing deadline.

Some of the petition files reviewed that included an appellant request for a waiver of the filing deadline due to good cause did not include a notice from the Board, to the appellant, stating whether the request was granted or denied.

Action needed to meet requirement

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

- Remove the option, *e-appeal technical issues*, in the Board's electronic request form for a good cause waiver of the filing deadline. E-appeal technical issues is not one of the reasons allowed by statute for a waiver of the filing deadline.
- When the Board receives a request to waive the filing deadline, due to good cause, they must send a notice informing the appellant whether they are granting or denying the request. If the Board denies the request, the notice should include language that specifically states *the waiver request for good cause is denied*. This statement is important because the Board's decision to deny a good cause waiver request is not appealable to the BTA.

Requirement – Good cause waiver request, continued

Why it's important

Proper administration of petitions ensures a fair and equitable appeals process for both the appellant and the assessor.

Requirement – Notice of Dismissal of Appeal Letter

Requirement

The Board is required to rely on the Department to inform a petitioner requesting a reconvene of the reconvene decision and the petitioner's right to appeal the Department's decision to the State Board of Tax Appeals (BTA).

What the law says

The department must reconvene a board upon request of a taxpayer when the taxpayer makes a prima facie showing that the taxpayer's property is overvalued by at least double the true and fair value. The department must reconvene a board upon request of an assessor when the assessor makes a prima facie showing of actual or constructive fraud on the part of a taxpayer (WAC 458-14-127).

What we found

The Board's *Dismissal of Appeal Letter* includes a section titled, *Department of Revenue (DOR) Denied Request to Reconvene*. In this section, the Board dismisses the appeal. When the Department denies a reconvene request there is no petition for the Board to dismiss.

The Board's unnecessary dismissal letter informs the appellant they may appeal the dismissal to the BTA within 30 calendar days of the dismissal letter. By receiving two notices dismissing the reconvene request appellants are receiving conflicting information regarding possible appeals to the BTA.

The 30-day window of time to appeal a decision to denying a reconvene request to the BTA is 30 calendar days from the Department's decision date.

Action needed to meet requirement

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

- Remove the section in the Board's *Dismissal of Appeal Letter* titled, *Department of Revenue (DOR) Denied Request to Reconvene*.
- Discontinue the practice of sending a *Dismissal of Appeal letter* when a petitioner makes a reconvene request to the Department and the Department denies the request. Once the Department issues a denial for a reconvene the appeal is resolved.

Why it's important

Proper administration of reconvene requests ensures a fair and equitable appeals process for both the appellant and the assessor.

Recommendation – Operations manual

Recommendation

The Department recommends the Board update their *Operations Manual*.

What we found

The Board's *Operations Manual* sections, *Hearing Protocol* and *New Member Training* need updating.

The *Hearing Protocol* section states, WAC 458-14-076(2) requires that notice of the hearing must be provided 15 days before the hearing, unless the clerk and the parties agree upon a shorter time period. The Board should provide the *Notice of Hearing* at least 22 days prior to the hearing. It appears the lack of an update is an oversight error since other documents included for the review contain accurate information.

The Powerpoint presentation in the *New Member Training* section of the *Board's Operations Manual* states a good cause waiver request should be submitted by April 30.

Action recommended

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

- Update the Hearing Protocol section of the Operations Manual to state the Notice of Hearing must be provided at least 22 days prior to the hearing.
- Update the Powerpoint in the New Member Training section to instruct the Board to allow a reasonable amount of time for submission of a good cause waiver request. A reasonable amount of time for appellants to provide a good cause waiver request should be approximately two weeks from the date of the late filing letter.

Why it's important

A uniform amount for a good cause waiver request and accurate training materials ensures the Board and staff provide petitioners with fair and equitable treatment within the property tax appeals 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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