

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

Washington Department of Revenue Property Tax Division

2023 Review of the Walla Walla County Board of Equalization



Table of Contents

Overview 3

Executive Summary 4

 Requirement – Regular convened session 6

 Requirement – Approval to meet after regular 28-day session..... 7

 Requirement – Complete and timely petitions 8

 Requirement – Evidence 10

 Requirement – Confidential information 11

 Recommendation – Update forms and letters 12

Next Steps..... 14

Overview

Introduction

The Department of Revenue (Department) interviewed the Clerk of the Walla Walla County Board of Equalization (Clerk). The interview focused on the Walla Walla 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 2021 assessment year for taxes payable in 2022.
- 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 five 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 hold a regular convened session beginning on July 15, or within 14 days of the Walla Walla County Assessor (Assessor) certifying the county assessment roll to the Board, whichever is later.
2. The Board is required to request and receive approval of the county legislative authority to continue hearings after the regular 28-day convened session.
3. The Board is required to include a copy of the Assessor's value notice as proof of a timely filed petition for appeal of valuation whenever the petition is filed after July 1 of the assessment year in question. The petition must be complete in order to be considered by the Board.
4. 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.
5. The Board is required to keep confidential information in a separate envelope and sealed from inspection.

Recommendations

1. The Board is recommended to update the information provided to taxpayers in their forms and letters.

Requirement – Regular convened session

Requirement

The Board is required to hold a regular convened session beginning on July 15, or within 14 days of the Walla Walla County Assessor (Assessor) certifying the county assessment roll to the Board, whichever is later.

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 on July 15, or within 14 days of the Assessor's certification of the assessment roll to the Board. The Assessor certified the 2022 assessment roll for the 2023 tax year on October 25, 2022, requiring the Board to meet on or before November 8, 2022. The Board's first meeting for the 2021 assessment year was on November 17, 2022.

The Clerk stated the Board received the Assessor's certification of the tax roll to the Board on November 3, 2021, and held their first meeting within 14 days of receipt.

Action needed to meet requirement

The Board is required to take the following actions:

- Meet on July 15, or within 14 days of the date the Assessor's certification of the assessment roll to the Board was signed, whichever is later.
- The Assessor should sign and provide the Board with the certification of the assessment roll on the same day.

Why it's important

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

Requirement – Approval to meet after regular 28-day session

Requirement

The Board is required to request and receive 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 held hearings after the 2021 assessment year regular 28-day session ended, without requesting and receiving approval from the county legislative authority to be reconvened.

Action needed to meet requirement

The Board is required to take the following action:

- Request and receive approval from the county legislative authority to convene after their regular 28-day session to hear timely filed petitions. The request and the approval should both 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 at dor.wa.gov.

Why it's important

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

Requirement – Complete and timely petitions

Requirement

The Board is required to include a copy of the Assessor’s value notice as proof of a timely filed petition for appeal of valuation whenever the petition is filed after July 1 of the assessment year in question. The petition must be complete in order to be considered by the Board.

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.

Timely

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 of the value change notice was mailed, whichever is later.

Complete

A petition is considered complete when all relevant questions on the form provided by the Department have been answered sufficient information or statements to apprise the board and assessor for the reason. A petition that merely states the assessor’s valuation is too high, or the property taxes are excessive, or similar types of statements, is not properly completed and will not be considered by the Board (RCW 84.40.038 and WAC 458-14-056).

What we found

Timely

It is unclear if four of the petition files reviewed by the Department were filed timely. They were submitted after July 1, of the assessment year in question, and did not include a value change notice to support the timeliness of the appeal submission after July 1.

The Clerk date stamps the petitions when received but only one of the petition files reviewed included a copy of the envelope, including the postmark.

Requirement – Complete and timely petitions, continued

Complete

Two of the petition files reviewed by the Department were incomplete.

The petitions did not include a specific reason for the appeal, one included assessed value and inflation and one left the reason blank.

Petitions submitted without a value notice after July 1 or without a specific reason listed for the appeal are incomplete.

Action needed to meet requirement

The Board is required to take the following actions:

- Require a copy of the Assessor's value notice to be provided with all petitions submitted after July 1 of the assessment year in question, to assist in determining if the petition is complete and timely filed. If the petitioner does not provide this document with the petition, the Board is required to:
 - Send the petitioner a notice of incomplete petition when any of the following information is missing (See the Department's petition form 64 0075 sections 1-4, available on our website, dor.wa.gov):
 - Owner information.
 - True and fair value.
 - Specific reasons why the assessor's value does not reflect the true and fair market value.
 - Power of attorney (if applicable).
 - Signature of taxpayer or agent.
 - Return an untimely petition with a letter explaining the allowable reasons for waiving the filing deadline. If the appellant does not show one of the allowable reasons to waive the filing deadline, the Board must clearly state in writing that good cause was denied the petition has been dismissed.
- Retain copies of the envelopes, including the postmark, for all petition files submitted by US Mail, both timely and untimely filed.
- Only accept petitions as complete and timely filed, that include a specific reason why the petitioner believes the Assessor's determination is incorrect.
- Only accept petitions as timely filed when submitted on or before July 1 or within 30 days of the Assessor's value notice, whichever is later.

Why it's important

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

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

When a taxpayer sends additional evidence to the Board, but does not send it to the Assessor, the Clerk forwards copies to the Assessor.

Action needed to meet requirement

The Board is required to take the following action:

- 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.

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 in a separate envelope and sealed from 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

During the review, the Clerk stated that any confidential information would be stamped as confidential and provided to the Board members but would not be made public.

Action needed to meet requirement

The Board is required to take the following actions:

- Determine whether a petition file contains confidential evidence and file appropriately.
 - Keep paper files containing confidential information in a sealed envelope, labeled with the notation “confidential evidence” and the case number. Electronic files must be kept in the same manner, with confidential information in the file kept separate, labeled with the notation “confidential evidence” and the case number.

Why it’s important

Proper handling of evidence and testimony ensures confidential information is not inappropriately disclosed and instills taxpayer confidence in the Board.

Recommendation – Update forms and letters

Recommendation

The Department recommends the Board update the information provided to taxpayers in their forms and letters.

What we found

The Board's following forms and letters contain missing or incorrect information:

- The hearing letters in the petition files reviewed by the Department did not inform the parties to the appeal that any additional evidence must be submitted 21 business days prior to the hearing.
- The appeal packet information letter informs taxpayers that they must provide any additional evidence 21 days prior to the hearing date, the letter should state 21 *business* days.
- The Hearing and Decision Worksheet, No. 16, states in part that the decision of the Board complies with WAC requiring an appeal by certain County Officials and employees on their own property, or on any property in which they have and interest, the action of the Board of Equalization upon that appeal, shall be to sustain the Valuation made by the Assessor and deny the petition. When the Board uses this reason in their decision making they are deciding to sustain the value not denying the petition.
- The Good Cause Waiver Request Acceptance Letter states a petition form must be submitted if the taxpayer has not done so already. A petition must be filed within a reasonable time after the filing deadline for the Board to consider a request for a waiver of the filing deadline for good cause.
- The Incomplete Petition Letter states, "After further review your petition is incomplete."

Providing clear and accurate information helps taxpayers navigate the appeals process more efficiently resulting in a reduction in the Clerk's workload.

Actions recommended

The Department recommends the Board take the following actions:

- Update the following forms and letters:
 - Hearing letter – Add language informing the parties to an appeal they must submit additional evidence 21 business days prior to the hearing (WAC 458-14-056).
 - Appeal packet information letter – Add language that states additional evidence must be submitted 21 business days prior to the hearing (WAC 458-14-056).
 - Hearing and Decision Worksheet, No. 16 - Remove the language, "and deny the petition."
 - Good Cause Waiver Request Acceptance Letter – Remove the language stating, a petition form must be submitted if the taxpayer has not done so already (WAC 458-14-056).
 - Incomplete Petition Letter:
 - Remove the language that states, "After further review your petition is incomplete."
 - Add language that states, The Board is limited to only accepting complete petitions. Please submit a completed petition to the Clerk of the Board by, and include a deadline date (RCW 84.40.038 and WAC 458-14-056).

Recommendation – Update forms and letters, continued

Why it's important

Providing accurate information for the appeal process ensures fair and equitable due process for all parties to an appeal.

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 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 us at:

Washington State Department of Revenue
Property Tax Division
PO Box 47471
Olympia, WA 98504-7471
(360) 534-1400
dor.wa.gov