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Washington Department of Revenue Property Tax Division

2022 Review of the Ferry County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted a telephone interview with the Clerk of the Ferry County Board of Equalization (Clerk). The interview focused on the Ferry 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 three 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 Clerk is required to keep and publish a record of the Board's proceedings.

The Clerk is required to make an audio recording of all hearings.

2. The parties to an appeal are required to provide evidence to both the Board and the opposing party at least 21 days prior to the hearing.
3. 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.

Recommendations

1. The Department recommends the Board create a spreadsheet or petition log to keep track of all petitions received.
2. The Department recommends the Board create a desk reference manual for the Board's administrative duties.
3. The Department recommends the Clerk and supporting staff attend the next training provided by the Department.
4. The Department recommends the Board include the facts and reason their decision is based upon in their orders.

Requirement – Record of hearing

Requirement

The Clerk is required to keep and publish a record of the Board's proceedings.

The Clerk is required to make an audio recording of all hearings.

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))

All hearings of a board or its hearing examiners must be recorded with an audio recording device and retained as required by the public records schedule (WAC 458-14-095(1)).

What we found

None of the petition files reviewed by the Department contain the Board Clerk's Record of Hearing. In addition, there are no Board Clerk's Record of Hearings published in the same manner as the county legislative authority's proceedings, for any of the petitions for the 2021 assessment year.

None of the Board's hearings for the 2021 assessment year have audio recordings because their audio recording device was no longer working properly. To document the hearing proceedings and participants, the Clerk began taking minutes of each hearing and then filed them with the appropriate petition.

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).
- The Clerk must make an audio recording for all of the Board's hearings. This could be accomplished by using the recording device the county legislative authority uses or purchase of a new recording device.

Why it's important

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

Requirement – 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 at least 21 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(3)).

What we found

The hearing notices reviewed by the Department, did not use 21 business days prior to the hearing as the required deadline for submitting additional evidence.

Action needed to meet requirement

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

- Use a deadline of 21 business days prior to a hearing for providing additional evidence for an appeal. The count of 21 business days should not include the hearing date, weekends, or public holidays.
 - This could be accomplished by replacing the deadline date in the letter with the following language: petitioners have 21 business days prior to the hearing to provide additional evidence. Use of this statement decreases the chance of the Board giving incorrect written advice to petitioners.

Why it's important

Deadlines within the property tax appeals process ensures due process for all parties.

Requirement – Approval to meet after regular 28-day 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 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(s):

- 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 (dor.wa.gov).

Why it’s important

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

Recommendation – Tracking petitions

Recommendation

The Department recommends the Board create a spreadsheet or petition log to keep track of all petitions received.

What we found

The Clerk stated the Board does not receive very many petitions each year and currently does not use a spreadsheet or petition log to keep track of the petitions.

All of the petition files reviewed by the Department included a petition form for each parcel appealed. However, some of the appeal numbers assigned by the Clerk, for the 2021 assessment year, were assigned to more than one petition when the appellant was appealing more than one parcel. Since an appellant must submit a petition form for each parcel they wish to appeal, assigning each petition its own appeal number provides transparency in the tracking process. Use of this process does not prevent the Clerk from scheduling hearings for appellants, with more than one appeal, on the same day with consecutive times.

Action recommended

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

- Develop a spreadsheet to track all petitions.
- Assign an appeal number to only one petition. This allows each petition to be tracked separately on the petition log.

Why it's important

Proper tracking of petitions received is necessary for the board to ensure they hear and resolve all petitions.

Recommendation – Desk Reference Manual

Recommendation

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

What we found

The Board does not currently have a desk reference manual for the duties of the Clerk.

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.

Why it’s important

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

Recommendation – Training

Recommendation

The Department recommends the Clerk and supporting staff attend the next training provided by the Department.

What we found

The Clerk stated she and the supporting staff were unable to attend the clerk training provided by the Department in 2022, due to conflicts with their other duties.

Action recommended

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

- Have the Clerk and supporting staff attend the Department’s 2023 Clerk training and BOE member training.

Why it’s important

To ensure the Clerk and staff have the knowledge necessary to carry out their duties as required by law.

Recommendation – Orders

Recommendation

The Department recommends the Board include the facts and reason their decision is based upon in their orders.

What we found

The orders reviewed by the Department included language stating the petitioner did not meet the standard of proof required to overturn the Assessor’s presumption of correctness. They stated the petitioner did not provide clear, cogent, and convincing evidence. However, the Board did not include details of the evidence used for their decision. Stating the details of the evidence promotes confidence in the taxpayer and Assessor that the evidence each one provided was considered in the Board’s decision. (RCW 84.48.010 and WAC 458-14-116)

Action recommended

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

- Include details of the evidence their decision was based upon in addition to listing the standard of proof. For example, if the petitioner did not provide any evidence for the appeal the order should state that fact.

Why it’s important

Including the reason for the Board’s decision in the order provides transparency in 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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