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# Washington Department of Revenue Property Tax Division

## 2023 Review of Property Tax Administration in Whitman County



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# Overview

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## Introduction

This report contains the results of the Department of Revenue's (Department) review of the property tax administration processes in Whitman County (County).

## Purpose

The primary purpose of this review by the Department is to assist the Whitman County Assessor (Assessor) in successfully performing the duties associated with administration of the various property tax programs.

An effective review of the methods employed by the County in administering property tax will promote fair, timely, and uniform property tax assessments.

## Scope of this review

The review is limited in scope. We reviewed the Assessor's role in property tax program administration. We did not review the internal fiscal controls or the internal management of the Assessor's office.

We reviewed select administrative procedures for compliance with state statutes and regulations. We did not examine all parcels or accounts enrolled in the various programs or the assessed values of these accounts. The processes used to determine value are within the scope of this review and may be addressed in this report.

## Background

### *Duties of the Assessor*

The Assessor is responsible for listing and valuing all real and personal property in the county. In addition to valuing property, the Assessor's office is responsible for several complementary functions, including:

- Maintaining records of ownership and legal descriptions for each parcel of property.
- Maintaining maps of all parcels and taxing districts.
- Calculating levy rates for the various taxing districts.
- Administering state-legislated tax exemption and deferral programs.
- Providing property tax related information to the public and other governmental agencies.

## Overview, continued

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### ***Duties of the Department***

The Department has the responsibility of general supervision and control over the administration of the assessment of property and the property tax laws of the state. The Department is authorized to direct and advise the duties of assessors, boards of equalization, county boards of commissioners, county treasurers, and county auditors under the laws of the state relating to property taxation.

The Department has the authority to examine and test the work of county assessors at any time. The County Review Program is one of the Department's principal efforts to address these interests and promote fair, timely, and uniform property tax assessments.

As part of the Department's commitment to assisting the Assessor, this review is conducted with these general goals in mind:

- Ensure the assessment administration is in compliance with state statutes and regulations.
- Provide recommendations to improve assessment operations.
- Identify efficiencies and cost-effective operational improvements.
- Identify immediate and long-term resource needs in the Assessor's office.

### **Information reviewed**

To complete our review, we gathered information about property tax program administration via interviews, documents provided by the county, and through our independent verification. The areas we reviewed included, but were not limited to:

- Reporting to officials.
- Revaluation.
- New construction permits.

To complete our review, we interviewed:

- The Assessor.
- The Chief Appraiser.

### **Acknowledgment**

We thank the Assessor and County staff for cooperating throughout our review. We commend the Assessor for their willingness to look at opportunities to improve the uniformity and administration of property tax.

# Executive Summary

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## About this review

The Department conducted an on-site visit to the Assessor's office. We interviewed the Assessor's staff about the processes and procedures used in administering the County's various property tax programs.

An administrative review of this type is prone to underscore problem areas, even in a county that is doing well. Though we may have observed processes or procedures where the County is doing well, those items may not be reflected in this report.

## Categories of results

The Department has completed its review and grouped the results into two categories:

1. **Requirements:** This category has the greatest urgency for effective administration by the Assessor. A change is required to adhere to the law.
2. **Recommendations:** Requires the attention of the Assessor. We believe improvements in these areas can improve service to the public.

The Department based the requirements and recommendations contained in this report on our analysis of the administrative procedures employed, existing state statutes and regulations, and in areas we saw opportunities to improve processes, procedures, and communication.

## Results

The Department identified five requirements and four recommendations directed toward improving property tax administration in the County. A summary of these items follows.

## Executive Summary, continued

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### Requirements

1. The Department requires the Assessor to improve the County's indicated real property ratio used for equalization purposes and assess property at its true and fair value (RCW 84.48.075, RCW 84.40.030).
2. The law requires the Assessor to update assessed values on parcels in the areas of the County not scheduled for physical inspection in a given year. The Assessor should update the assessed value of all parcels in the County to reflect the current market value, unless market data indicates that no change in market value has occurred year to year (RCW 84.40.030, RCW 84.41.030).
3. The Assessor is required to assess new construction at its true and fair value as of July 31 each year regardless of its percentage completion (RCW 36.21.070, RCW 36.21.080, WAC 458-19-005(2)(p), WAC 458-12-342).
4. The Assessor is required to make a physical appraisal of new improvements within twelve months of the date a permit was issued (RCW 36.21.070). County and city permit issuing departments are required to provide the Assessor with copies of all building permits issued by the respective jurisdiction (RCW 19.27.140).
5. The Assessor is required to assess the value of all personal property as reported by the taxpayer, on or before May 31 of each year, and is required to deliver or mail to each taxpayer a copy of the statement of valuation (RCW 84.40.040, RCW 84.40.080, RCW 84.40.200, WAC 458-12-060).

### Recommendations

1. The Department recommends the Assessor adopt practices that will allow for the use of mass appraisal in determining and updating values on an annual basis.
2. The Department recommends the Assessor develop an appraisal procedure manual to ensure that property is inspected and appraised uniformly and consistently. Providing written guidelines helps to achieve and maintain consistency and uniformity between staff members and as a reference for use in the field.
3. The Department recommends that the Assessor consider adding staff positions in the future to help complete their workload in a timely manner and increase mass appraisal functionality using the current CAMA system.
4. The Department recommends the Assessor continue pursuing new field devices for property inspections.

## Requirement 1 – Improve low county ratio used for equalization purposes

### Requirement

The Department requires the Assessor to improve the County’s indicated real property ratio used for equalization purposes and assess property at its true and fair value (RCW 84.48.075, RCW 84.40.030).

### What the law says

All property must be valued at 100% of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law. The Department must annually conduct a study and determine the county’s indicated real property ratio. The ratio measures the county’s level of assessment compared with the market value of property. The ratio is used for equalization purposes by the Department to equalize taxes for property centrally assessed by the state and to equalize the state school levy (RCW 84.40.030, RCW 84.48.075, chapter 458-53 WAC).

### What we found

The County’s indicated real property ratio (a weighted mean), used for equalization by the Department, has been under 90% for the past six years. Our 2022 Ratio Study indicates a real property ratio of 62.5%, which reflects lower assessed values to sale price ratios for multiple categories of property, including agricultural, multifamily and commercial, and single family residential. The statewide average real property ratio was 86.3% for 2022.

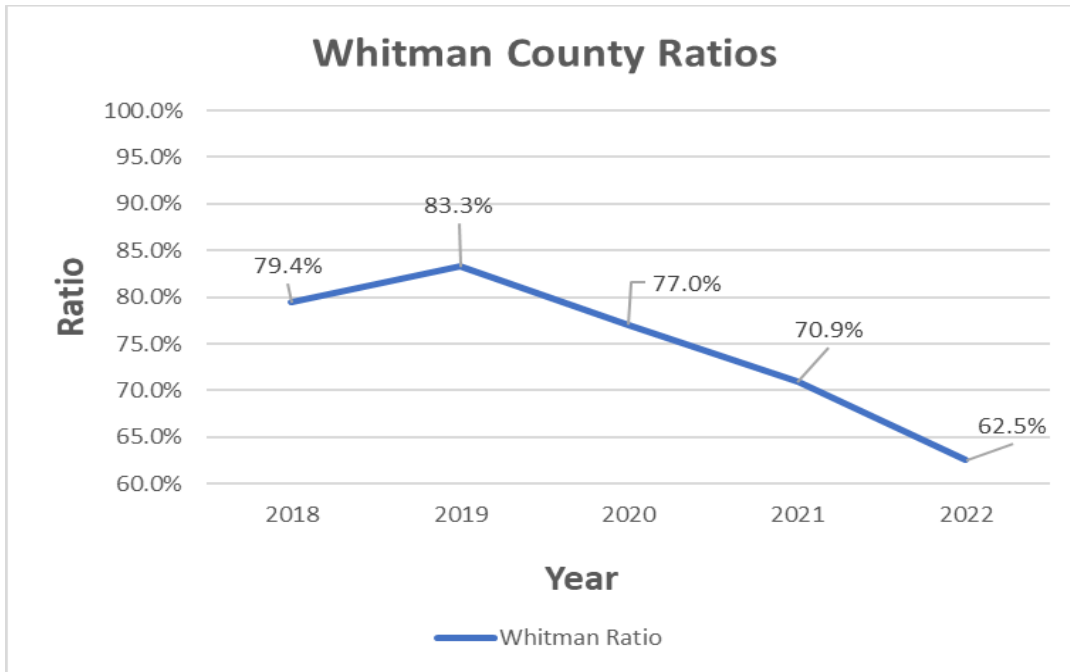
Recent statewide ratios and real property ratios for the County are:

Assessment Year	Median	Weighted Mean	Statewide Avg Weighted Mean
2022	*	62.5%	86.3%
2021	*	70.9%	87.9%
2020	*	77.0%	89.6%
2019	*	83.3%	89.9%
2018	*	79.4%	90.5%
2017	90.3%	87.0%	90.6%
2016	95.7%	91.9%	91.9%

\*Data unavailable for these years.

Sources:

[Measuring Real Property Appraisal Performance In Washington’s Property Tax System](#)  
[Property tax ratios by county | Washington Department of Revenue](#)



### Actions needed to meet requirement

The Assessor must show incremental improvement for the indicated real property ratio determined by the Department’s Ratio Study. Measures of incremental improvement may include:

- The County indicated real property ratio is moving closer to the statewide average.
- The County median ratio is moving closer to the IAAO standard for level of assessment between 90% and 110%.

The Assessor should use ratio studies to identify property types and locations across the County where assessed values are not reflective of market value. These studies will help to identify where resources should be used to improve assessment levels and uniformity. Values must be updated in the current physical inspection area and in the other five non-inspected areas. Annual revaluation means updating values throughout the County every year.

The Department uses the *International Association of Assessing Officers (IAAO) Ratio Standard* to measure the quality of mass appraisals. The IAAO Standard suggests the level of assessment be analyzed using the median assessment ratio for the jurisdiction being reviewed. The IAAO Standard also states the median ratio should be between 90% and 110%.

The Department recommends county appraisers use ratio studies and other statistical analysis to test the quality and accuracy of their appraisal processes and methods. Appraisers should do the following:

- Analyze both the level of assessment and the uniformity of the assessments in all categories of property and locations.
- Calculate the statistical measures recommended by the IAAO to test whether valuation models and methods accurately value all parcels at 100% of market value each year.



- Develop skill using Excel, an easily accessible tool, that appraisers can use for ratio studies and calculating statistical measures. The IAAO provides training and publications that explain the use of statistical measures. In the future, the *Property Tax Training Calendar* may include classes about ratio studies, including how to conduct the study using Excel. The Department has tools available which can be used to calculate ratios and other statistics, to build land models, and to develop time adjustments for older sales using Excel.
- Review the Department's annual ratio study and published reports that explain statistical analysis with calculated measures for each county, including the [Measuring Real Property Appraisal Performance in Washington's Property Tax System](#). These annual reports, published through 2017, are available on the Department's website. We are working to resume publication of this report on an annual basis.
- Obtain the training necessary to develop land valuations within the computer assisted mass appraisal (CAMA) system.
- Increase use and functionality of the CAMA system to update values throughout the County.
- Run new cost values in your CAMA system for all parcels in the County, make market adjustments to the cost valuation as needed, and apply depreciation as indicated. This methodology creates the most uniformity and consistency because all parcels are being treated the same.
- Learn more about how Marshall and Swift/Core Logic cost factors, depreciation, and multipliers are loaded, used, and updated in the CAMA system. Work towards updating Marshall and Swift cost tables on a consistent basis.
- Confirm whether depreciation tables are activated, so a percentage of depreciation is applied each year and improvement values will change.
- Evaluate property records and add missing characteristics for both improvements and land, which are useful for mass appraisal.
- Concentrate efforts on improving the county ratios by analyzing property by land use codes, highest and best use, and location in addition to other analyses already being performed.
- Perform audits of valuations before finalizing values to ensure consistency and equity in valuations. Such audits may include checking that new construction parcels reflect the new improvement value, that there is a reason for large increases or decreases in value, or that parcels have the correct land use code. The Department has a list of suggested audits and edits to be performed prior to finalizing values.

### **Why it's important**

Ratio studies are used for measurement of the level of assessment and uniformity of mass appraisal models. They also provide:

- Internal quality assurance and identification of appraisal priorities where resources should be concentrated in order to improve assessment levels and uniformity.
- Determination of whether administrative and statutory standards have been met.

- Determination of time trends for older sales, which could be used for adjustment of appraised values for the current assessment year.
- Measures of assessment level and uniformity that assessors, appeal boards, taxpayers, and taxing authorities can use to evaluate the quality of assessments.

In addition, low assessment ratios can affect levies and revenue for counties and taxing districts. Taxing districts can experience a loss in property tax revenue if the assessed value of property is less than the market value. For example:

- When voters approve a lid lift for a taxing district in a county with a low level of assessment (low ratio), the district will not be able to levy the full amount allowed by law because the property within the taxing district is being assessed at less than 100% of market value.
- If a taxing district's levy is restricted to the statutory maximum rate allowed by law, not valuing property at 100% market value results in a loss of levying capacity.
- When a county is not valuing property at 100% of market value, it results in a higher levy rate. This could result in the possibility of pro-rationing or elimination of levy rates for junior taxing districts due to the \$5.90 or Constitutional 1% aggregate limitations.
- A low equalization ratio reduces the taxable value for state assessed utility and transportation properties as they are equalized with local values.

## Requirement 2 – Updating values in areas that have not been inspected

### Requirement

The law requires the Assessor to update assessed values on parcels in the areas of the County not scheduled for physical inspection in a given year. The Assessor should update the assessed value of all parcels in the County to reflect the current market value, unless market data indicates that no change in market value has occurred year to year (RCW 84.40.030, RCW 84.41.030).

### What the law says

Per RCW 84.40.030, “all property must be valued at 100% of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.” In addition, RCW 84.41.030 states all property must be revalued annually and inspected at least once every six years. The law requires the assessor to revalue property annually in the non-inspected areas of the county, “During the intervals between each physical inspection of real property, the valuation of such property must be adjusted to its current and fair value, such adjustments to be made once each year and to be based upon appropriate statistical data” (RCW 84.41.041). The appropriate statistical data for accurately adjusting the real property values includes, but is not limited to, the costs of construction and real property trends (WAC 458-07-015).

### What we found

There is a direct connection between the County’s low assessment level (ratio) and the low number of non-inspection area parcels that have had an updated assessed value. The ratio is a measure of how close assessed value is to market value. If the market sales indicate that there has been an increase or decrease in market value, not reflecting those changes in the assessed values of property can result in low ratios for a large portion of the County’s parcels. In an appreciating market, not updating assessed values in the non-inspection areas will result in lower ratios over time. The Assessor is currently using outdated cost tables to value improvements.

The following table shows a five-year history of ratios and valuation changes in the County:

Assessment Year	Indicated Real Property Ratio (Weighted Mean)	% of Parcels in the Inspection Area That Had a Change in Value	% of Parcels in Non-Inspection Area That Had a Change in Value
2022	62.5%	98.7%	91.5%
2021	70.9%	20.5%	6.8%
2020	77.0%	15.4%	25.3%
2019	83.3%	17.2%	6.4%
2018	79.4%	5.9%	1.4%

Sources:

[Measuring Real Property Appraisal Performance In Washington’s Property Tax System](#)  
[Property tax ratios by county | Washington Department of Revenue](#)  
[2018-2022 County Revaluation Progress Report](#)

### **Weighted mean ratio**

The County indicated real property ratio (weighted mean), used for equalization, has been below 90% for the last five years and is the lowest in the state for 2022 at 62.5%.

### **Percentage of parcels that had a change in value**

The Assessor reports to the Department the percentage of parcels that have valuation changes each year in their annual County Revaluation Progress Report. They reported the percentages of parcels with a value change in both the inspected area (1/6 of the county) and the non-inspected area (5/6 of the county). The statistics show the past four of five years indicate that a very low percentage of parcels had a change in value in the non-inspected areas. In the non-inspected area of the County during 2018-2021, less than 25% of the parcels had an adjustment to the assessed value. For 2022, the Assessor reported 91.5% of the non-inspected parcels had a change of value, yet the weighted mean ratio was only 62.5%. This indicates the market adjustments were not adequate to reflect current market value.

The Assessor's current process is to update all parcel characteristics based on recent physical inspections and utilizes building cost data in the CAMA valuation system. The appraisers use Marshall and Swift cost tables within the CAMA system to develop a valuation for improvements on each parcel in the County. This value is compared to current market sales to determine if a trend should be applied to the cost value to adjust it to the current market value. Parcels in non-inspected areas should be handled using the same process in order to ensure that all parcels are updated to the current market value.

### **Actions needed to meet the requirement**

The Assessor and county appraisers must increase their use of ratio studies and other statistical analysis to review the level of assessment and update values throughout the County each year. For locations or property types where values are not updated for the current assessment year, the Assessor should have ratio studies and other market evidence that support no change in values.

The Department recommends ratio studies and statistics should be used to analyze both land and improvement values in all areas of the County. The results of this analysis helps identify whether an adjustment should be applied. Adjustments may include:

- Updating values in the non-inspected areas by applying a trend to the cost valuation or running new cost valuations in your CAMA system for all parcels in the county.
- Adjusting improvement values as percentage market adjustments, adjusting depreciation tables or rates, and/or calibrating variables in the model.
- Applying percentage market adjustments to land values and/or calibrating variables in the land models.

The County should also activate new Marshall and Swift cost tables gradually by inspection area until all inspection areas have been updated. This will require caution in making sure that any market adjustments that have previously been applied to old cost valuations are removed or adjusted to reflect current market value.

### **Why it's important**

Regularly reviewing and updating assessed values to reflect market value for parcels throughout the County ensures taxpayers are assessed in a uniform and consistent manner. Additionally, accurately assessed values are important for calculation of local levies and the state levy for schools. Updating values for only a portion of the County each year puts parcels out of equity with each other because they are not all reflecting a current market value.

## **Requirement 3 – Procedure for adding new construction at percent complete to the assessment roll**

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### **Requirement**

The Assessor is required to assess new construction at its true and fair value as of July 31 each year regardless of its percentage completion (RCW 36.21.070, RCW 36.21.080, WAC 458-19-005(2)(p), WAC 458-12-342).

### **What the law says**

New construction covered under the provisions of RCW 36.21.070 and RCW 36.21.080, and defined in WAC 458-19-005(2)(p), must be assessed at its true and fair value as of July 31 each year regardless of its percentage of completion. The assessor is authorized to place new construction on the assessment rolls up to August 31 each year. In instances when new construction continues after July 31 of any year, the increase in value of the property due to the new construction that occurs between August of that year, through July 31 of the following year, is added to the assessment roll as "new construction" in the following year.

New construction refers only to real property, as defined in RCW 84.04.090 and WAC 458-12-010, and improvements, as described in WAC 458-12-005(2)(d), located on leased public land, for which a building permit was issued or should have been issued. The assessor must notify the owner, or the person responsible for payment of taxes, of the value of any new construction that has been assessed.

### **What we found**

During our discussion at the Assessor's office on May 30, 2019, the Assessor stated they do not add any new construction values to the assessment roll until the improvements are complete. The previous administration had a policy that directed appraisers to wait until construction was complete before adding new construction to the assessment roll. As part of this review, the Department will follow up on the progress that has been made regarding this issue.

### **Actions needed to meet the requirement**

The Assessor must determine the assessed value of new construction based on the true and fair market value, as of July 31. When the construction is incomplete, the value should reflect the market value for that level of completed construction, as of July 31. The Assessor should provide appraisers with written guidelines to help ensure consistency in estimating the value of incomplete construction.

Methods for determining percent complete and value of incomplete construction include:

- Appraisers can estimate percentage of completion based on the contribution of each component of construction, as compared to the completed project. For example, a home with only the site work and foundation completed, as of July 31, would be considered 14% complete using the Percent Completion

Guide in Marshall and Swift building cost manuals. The Department provides forms that help calculate a percent complete for new construction.

- For parcels in the very early stages of construction, after inspection, the appraiser might apply a percentage of the permit value to the parcel, until such a time that they can measure the new improvement more accurately.
- Appraisers could attach a flat value to a parcel in the early stages of construction (i.e. foundation), which would be a fair cost estimate for groundwork, utility installation, and foundation work.

The Assessor should continue to include photos in property records, because photos provide visual evidence of construction found at the time of the inspection.

### **Why it's important**

One of the major functions of the assessor's office is placing new construction on the assessment roll. It is important to capture the new construction value each year regardless of the percentage of completion, so the added value is part of the assessment roll for the appropriate year. The assessment of new construction provides an important source of funding for the county and local taxing districts, and ensures equity in taxation between property owners.

## Requirement 4 - Physical appraisal within twelve months of issued permit

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### Requirement

The Assessor is required to make a physical appraisal of new improvements within twelve months of the date a permit was issued (RCW 36.21.070). County and city permit issuing departments are required to provide the Assessor with copies of all building permits issued by the respective jurisdiction (RCW 19.27.140).

### What the law says

All property is subject to assessment and taxation unless law has provided a specific exemption. New buildings and other improvements resulting from construction or alteration that required a permit under the State Building Code are subject to inspection, listing and assessment by the assessor.

The assessor typically becomes aware of new construction through building permits issued by the permitting departments of the county and cities within the county. Some cities contract with the county for permit and inspection services. Permit copies obtained under the State Building Code for construction or alteration work of a total cost or fair market value in excess of \$500, must be sent by the issuing authority to the assessor. The permit must include the county assessor's parcel number. Within 12 months of the date the permit was issued, the assessor must, inspect and appraise the building or buildings covered by the permit (RCW 36.21.070). Although costs may be incurred by the property owner and reflected on a permit, the assessor determines whether the "alteration" increases the value of the property. The assessor must value new construction as of July 31, and complete the valuation and list in the assessment roll by August 31.

The assessor must inspect property within 12 months of the date a permit was issued. In some instances, the issue date of the permit and the valuation date of July 31 may result in an inspection period of less than 12-months or even several months past 12 months. Note:

- The 12-month period begins at the time the permit is issued by the building or community development department, not at the time the assessor received the permit. Permits have various dates that range from application date, to open date, to issue dates, on through various stages until completion.
- Permits are issued throughout the year. When permits are issued in July, the construction work may not start before the July 31 valuation date.
- Permits issued in late June or July typically would not be received by an assessor's office until the next month or even after the valuation date for that assessment year. In those cases, based on the date, the assessor may have until the next year to inspect and value the property.

### What we found

The Assessor currently receives building permits timely from the County and most of the city jurisdictions. One city refuses to provide building permit information to the Assessor. This practice does not comply with state law

requiring the issuing jurisdiction to transfer permits to the assessor (RCW 19.27.140). The permits are a county assessor's primary source of information about potential new construction. The lateness or lack of permit transfers has jeopardized the Assessor's ability to inspect permitted construction within one year of the issue date. New construction value must be added to the assessment roll within the year it was completed or it cannot be considered new construction for purposes of increasing the levying capacity of taxing districts, including the County. When the assessor does not receive permit information from the issuing jurisdiction, the appraisers use other methods to discover new construction. Without reliable permit data, new construction value could be forfeited because the assessor was not able to discover it timely.

### **Actions needed to meet requirement**

The Assessor has processes in place for tracking permits, inspections, and listing new construction. Enhancements to those processes, such as those listed below, will help ensure that within twelve-months of an issued permit, the Assessor will inspect the new construction and list the value for the current assessment year.

- The Assessor and other County departments must continue ensure all permits are timely transferred to the Assessor. If jurisdictions are not cooperative in providing the required information, the Assessor should contact higher levels of management to express their concerns. Jurisdictions need to be made aware of the importance of adding new construction to the assessment roll in a timely manner in order to increase levying capacity.
- The Assessor should continue work with the permit issuing department of cities to maintain a consistent schedule for the transfer of permit information, by paper or electronically. Promptly sending permits to the Assessor means the permit will be entered into the assessment system and ready for review and inspection.
- The Assessor should continue developing a tracking system that records both the permit issue date and the date received from all permitting jurisdictions to confirm that permits are transferred according to an agreed upon schedule.
- The Assessor should conduct a review of all parcels with known new construction permits each year before change of value notices are printed and mailed. System queries and testing may identify parcels with missed new construction or parcels with data entry and value calculations not completed properly in their CAMA system.

### **Why it's important**

One of the major functions of the assessor's office is placing new construction on the assessment roll. New construction that is valued and listed each year by an assessor directly influences the tax base for the county and local taxing districts. The assessment of new construction provides an important source of funding for the county and local taxing districts and ensures equity in taxation between property owners. The growth in property tax revenue is limited to one percent each year. Taxing districts are authorized additional revenue in excess of the one percent levy limit based on the value of new construction. This added revenue carries forward in future levy authority. When the value of a new improvement as of July 31 (2022) is not listed by an assessor until the following assessment year (2023), that value is listed as omitted property. Omitted property will increase the tax base, but it cannot be considered new construction for determining the highest lawful levy.



## Requirement 5 – Personal property assessment timeline

### Requirement

The Assessor is required to assess the value of all personal property as reported by the taxpayer, on or before May 31 of each year, and is required to deliver or mail to each taxpayer a copy of the statement of valuation (RCW 84.40.040, RCW 84.40.080, RCW 84.40.200, WAC 458-12-060).

### What the law says

The assessor must send personal property listings to the taxpayers by January 1 each year. The taxpayer is required to update and submit their completed listing to the assessor's office by April 30 each year. A penalty may be added to the amount of tax assessed if the listing is not made by the due date. Upon receipt of the listing of personal property, the assessor determines the value of such property by May 31 (RCW 84.40.040). The assessor must send the taxpayer, or the person who listed the property, a copy of the completed personal property list, which includes the assessor's determination of the assessed (true and fair) value of the listed property. When property is listed or assessed on or after May 31, the same shall be legal and binding as if listed and assessed before that time. The Personal Property Stratification Report should be sent to the Department by September 1 each year (WAC 458-53-140).

### What we found

Under the previous administration, the Assessor's office was not following the correct timeline. They had an internal deadline for completing personal property listings and assessed values by August 31. The process of providing listing information to taxpayers in a timely manner was not followed, so the process of valuation and sending notices could not be completed earlier in the year.

### Action needed to meet requirement

The Department requires the Assessor to implement procedures that follow the correct timeline for personal property listing, valuation, providing notice, and reports. The steps to ensure timely processing is to:

Step	Who	Action	Deadline
1.	Assessor	Compile personal property information.	December 1
2.	Assessor	Mail or transmit current listing to taxpayer.	January 1
3.	Taxpayer	Submit completed/amended listing to the assessor.	April 30
4.	Assessor	Date stamp the listings received. "Code" new equipment on listings with proper valuation trends as listings are received. Update other information as necessary and send updated listing with new values to taxpayer.	As received

Step	Who	Action	Deadline
5.	Assessor	Complete the valuation of personal property.	May 31
6.	Taxpayer	Appeal the value to the Board of Equalization (BOE) (optional).	July 1, or 30-days from the date of notice, whichever is later. Some counties have adopted a 60-day period to file petitions with the BOE.
7.	Assessor	Complete the certification of personal property values to the BOE.	July 15, or once values are complete, whichever occurs later.

### Why it's important

Timely processing listings and completing valuation of personal property each assessment year ensures the accurate listing of all property on the tax roll and that taxpayers receive uniform treatment. Timely receipt and valuation of returned personal property listings, together with proper notice of new values, provides taxpayers an opportunity to appeal and ensures equitable distribution of taxes. Uniform application of penalties ensures fairness in administration, keeps taxpayers aware of values, and improves filing compliance.

## Recommendation 1 – Develop mass appraisal valuation practices

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### Recommendation

The Department recommends the Assessor adopt practices that will allow for the use of mass appraisal in determining and updating values on an annual basis.

### What we found

The Assessor is in the process of expanding use of their CAMA system. The Assessor is working to get current property characteristics updated on each parcel as inspections are performed. The Assessor is also developing CAMA system valuations for all land parcels in the county. However, staffing shortages and position changes, such as the loss of the chief appraiser, some accredited appraisers, and the previous assessor, has put development of mass appraisal practices on hold. All land parcels are not currently valued using the CAMA system and Marshall and Swift cost tables have not been updated to the current tables within the CAMA system.

### Action recommended

We recommend the Assessor develop a plan for expanding the office's use of mass appraisal. The following suggestions will help to set up basic system functionality so parcels can be updated in a consistent and uniform manner. It would be beneficial to dedicate a staff member to manage this transition and continue to implement the plan by inspection area for a six-year cycle, until all parcels have been updated.

- **Property Records Storage** – In order to achieve full mass appraisal functionality, which includes the ability to update multiple records in mass, the Assessor should develop a plan to transfer property characteristic data, photos, and sketches into the CAMA system. As inspections are completed over the next several years, data can be transferred and updated.
- **Land Use Codes (state land use codes listed in WAC 458-53-030)** – The Assessor should provide appraisers with a list of the land use codes and review the proper application of the codes to promote consistent application by all staff. Land use codes should reflect the actual use of the land. During inspections, appraisers should review codes for accuracy. Staff application and review of land use codes is a critical function that results in accurate parcel information, allows similar properties to be grouped accurately for analysis and appraisal, and improves accuracy of state reports that require correct land use codes.
- **Neighborhood Codes** – A plan should be developed to delineate parcels within their geographical area. This is a first step in stratifying properties in order to evaluate market influences that affect them.
- **Marshall and Swift Cost Tables** – The CAMA system vendor does not automatically update the cost approach tables with Marshall and Swift building cost factors. Marshall and Swift cost tables should be updated annually before valuation work begins for the current year. Caution should be exercised to ensure the resulting valuations are accurate. Because the update for the County would encompass multiple years, resulting valuation increases are likely to be very large. It is important to apply this

update after any previous trend factors or multipliers have been removed so that only a new base cost value is the result.

- **Depreciation** – Depreciation rates vary by quality of construction and age of the improvement. Routine repairs and maintenance can also affect the rate. Depreciation schedules should be built in the CAMA system for different building types and grades and applied to the cost approach.
- **Land Characteristics** – The Assessor and appraisers should determine the characteristics with the greatest influences on value and develop guidelines for all appraisers to capture these characteristics consistently in the electronic property record.
- **Utilize Geographic Information Systems (GIS)** – Use GIS data and maps to identify and capture many land characteristics and then verify or fine-tune those during the inspection process. Accurate land valuation depends on capturing the major influences that affect its value.

### **Why it's important**

The law requires that all parcels in a county be revalued every year at 100% of market value. It is imperative that mass appraisal techniques are used because it is the most efficient method available to value all parcels every year. It allows for uniform treatment of taxpayers and consistent application of market trends to all parcels.

## Recommendation 2 – Appraisers procedures manual

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### Recommendation

The Department recommends the Assessor develop an appraisal procedure manual to ensure that property is inspected and appraised uniformly and consistently. Providing written guidelines helps to achieve and maintain consistency and uniformity between staff members and as a reference for use in the field.

### What we found

The Assessor’s office does not have a comprehensive appraisal procedures manual for their office. A sample manual from the Property Tax Resource Center website was provided to the assessor after our visit.

### Action recommended

The Department recommends the Assessor’s office develop a comprehensive appraisal procedure manual that contains information useful to appraisers in performing their duties. The Department’s Revaluation Manual is a useful resource for information to include, such as:

- Assessment data definitions, including photographic examples from standard guidelines related to building quality, condition, detached structures, attached structures, land characteristics, etc.
- Instructions for data entry and use of the CAMA system.
- Required forms for things such as new construction, additions to improvements, destroyed property, sales verification, etc.
- Helpful information and links for staff and taxpayers from the Department’s website.
- Appeal procedures.
- Inspection guidelines for classified current use land.
- Inspection guidelines for exemption and deferral eligible property.
- Property Tax Calendar.
- A schedule for at least annual reviews to update, refine, and improve the written procedures.

### Why it’s important

A written appraisal procedure manual helps achieve consistency among appraisal staff and greater uniformity for taxpayers. Here are some other benefits:

- Serves as an excellent training tool for new appraisers or those transitioning to utilization of mass appraisal techniques. It is readily available to use in the field as a reference and can easily be updated or amended as necessary.
- Ensures consistent application of property tax laws and rules.
- Ensures consistent application of policies and procedures.
- Promotes the use of uniform appraisal practices throughout the county.

## Recommendation 3 – Staffing focused on Mass Appraisal Development

### Recommendation

The Department recommends that the Assessor consider adding staff positions in the future to help complete their workload in a timely manner and increase mass appraisal functionality using the current CAMA system.

### What we found

The Assessor’s office has a more limited number of staff, compared to other counties, and limited functionality of their CAMA system. Having an inadequate number of appraisers trained in mass appraisal has caused the Assessor’s office to inconsistently review and update assessed values of all parcels each year. The overall County weighted mean ratio ranged from 62.5% to 83.3% for the past five years and is 62.5% for 2022. The lower ratios could be the result of not routinely updating assessed values for property in the current year inspection area or non-inspection areas in the six-year revaluation plan. Current staff have limited time for conducting additional market analysis work, updating building cost and depreciation tables, building land models, and increasing functionality of the CAMA system.

Law requires that the assessed value of all parcels be updated to 100% market value each year. Updating values using mass appraisal techniques, such as applying neighborhood trend factors, is much quicker using the mass appraisal functionality within the CAMA system. The following table shows the percentage of values that changed in the inspected and non-inspected areas for the last three years. The Assessor’s *Revaluation Plan* includes the description of the six physical inspection areas of the county.

Assessment Year	Percent of Inspected Parcels w/Change in Assessed Value	Percent of Non-Inspected Parcels w/Change in Assessed Value
2022	98.7%	91.5%
2021	20.5%	6.8%
2020	15.4%	25.3%

The Assessor has one of the highest parcel counts per appraiser compared to other assessor offices within a comparable size range. In 2022, they had a workload of 7,811 parcels per appraiser to reappraise or statistically update values, plus conducting physical inspection and valuation of new construction.

Parcels per Appraiser			
County	Total Parcels	Parcels per Appraiser	Real Property Appraisers FTEs
Whitman	35,149	7,811	4.5
Okanogan	46,328	9,266	5.0
Mason	51,949	8,658	6.0
Pacific	32,776	8,194	4.0
Grant	55,808	6,976	8.0
Stevens	40,683	6,781	6.0

Source:

2022 Comparison of County Assessor Statistics Report

### **Action recommended**

The Assessor should consider adding staff with the skill to perform specialized functions such as a:

1. Sales analyst who is proficient in the use of Excel for model building, statistics, and analysis.
2. CAMA developer/maintenance position.
3. GIS technician to create and maintain a parcel layer for the Assessor's office.

This recommendation does not suggest the County hire an FTE (full-time equivalent) for each position, but rather include these functions as part of the plan for implementing mass appraisal. These functions may be performed by a single individual or shared by multiple staff members. Success in implementing mass appraisal depends on assigning responsibility to an individual who has a working knowledge of the processes required for setting up an efficient mass appraisal system, including the above-mentioned functions required to accomplish mass appraisal.

### **Why it's important**

The assessor's office needs adequate staff to perform necessary mass appraisal functions, implement and maintain a mass appraisal system, and perform other assessment duties as necessary. A fully functioning mass appraisal system with complete and accurate property records leads to more accurate assessed values and greater equity for taxpayers.

## Recommendation 4 – Field Devices

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### Recommendation

The Department recommends the Assessor continue pursuing new field devices for property inspections.

### What we found

The Assessor currently does not have a sketch for each parcel in their CAMA system. Sketch images are stored in their old system's archives instead. This information was not transferred to the CAMA system from their old system because of cost. In addition, taking photos and loading them is an extremely time-consuming task because each photo is manually loaded. Having field devices will allow appraisers to sketch parcels during each inspection and take photos that automatically upload to the parcel's information in the CAMA system.

### Action recommended

The Department recommends the Assessor continue pursuing new field devices. As part of this enhancement, the Assessor should provide guidance to appraisers including expectations for field inspections, data that should be collected to implement mass appraisal, a procedure for sketching and taking photos using the new field device. Capturing characteristics that have not been captured before, especially land data, is essential to developing land and improvement models for mass appraisals. If field devices are not available, than one time manual entry of missing data is necessary in order to have adequate functionality in the CAMA system in order to perform accurate mass appraisal.

### Why it's important

Field devices can save time, increase productivity, and reduce expenses by mapping your inspection routes and by providing automatic updates of changes. Here are some other benefits that field devices can provide:

- Automatic photo uploads.
- Interactive sketching.
- Interactive GIS maps.



## Next Steps

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### **Prioritizing requirements and recommendations**

The Department is committed to assisting the County in the implementation of the recommendations contained in this report. Once the Assessor receives a final copy of this review, the Department will (if requested) consult with the Assessor to help prioritize the work that must be completed.

### **Follow-up**

The Department is committed to the success of the Assessor by ensuring they comply with state statutes and regulations.

The Department will follow up in 2024 to review the changes implemented. This will give the Assessor an opportunity to provide information to the Department about any issues they encountered during the implementation process.

### **Questions**

For questions about specific requirements or recommendations in our report, please contact us at:

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