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Washington Department of Revenue Property Tax Division

2020 Review of the Mason County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted an interview with the Clerk of the Mason County Board of Equalization (Clerk). The interview focused on the Mason 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 2019 assessment year for taxes payable in 2020
- 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 four requirements and two 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

- The Board is required to only accept complete and timely filed petitions.
- The Board is required to hold hearings on each petition.
- The Board is required to provide good cause waiver information to appellants who have filed untimely.
- The Clerk is required to send out hearing notices at least 22 business days prior to the hearing.

Recommendations

- The Department recommends the Board edit and update some of the forms and letters used.
- The Department recommends the Board Orders explain if the Assessor's value in the order is different from the change of value notice originally mailed to the appellant.

Requirement – Complete and timely petitions

Requirement

The Board is required to only accept complete and timely filed petitions.

What the law says

A timely filed appeal petition must be filed with the board of equalization on or before July 1 of the assessment year, or within 30 days, or up to 60 days if the county legislative authority adopts a longer time period.

A petition is considered complete when the following information is included:

- Account/parcel number.
- Owner, address, and phone number.
- Assessor's value and appellant's estimate of value.
- Specific reason why the petitioner believes the assessor's value does not reflect true and fair market value.
- Power of attorney.
- Signature of appellant and date signed.

No late filing of a petition shall be allowed unless the appellant 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 promptly show good cause 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.

(WAC 458-14-056)

What we found

- Petition 89.2020 was incomplete and should have been returned. The appellant did not provide a reason the assessor's value was not the true and fair market value.
- Petition 137.2020 was untimely. The deadline to file was November 21, 2019 and the petition was date-stamped as received on November 25, 2019.

Action needed to meet requirement

The Board is required to take the following actions:

- Incomplete petitions must be returned to the appellant with a letter explaining the petition is incomplete. An appropriate amount of time must be given to the appellant to complete and return it to the Board. If a completed petition is not returned by the deadline, the petition must be rejected as incomplete. The appellant must be notified in writing of their appeal rights to the State Board of Tax Appeals (BTA).
- If a petition is filed after the deadline, the petition must be returned with a letter explaining the allowable good cause reasons for waiving the filing deadline. If the appellant does not meet one of the

allowable reasons, the Board must notify the appellant in writing the petition is dismissed. The appellant must be notified in writing of their appeal rights to the State Board of Tax Appeals (BTA).

Why it's important

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

Requirement – Hearings on properly filed petitions

Requirement

The Board is required to hold hearings on each petition.

What the law says

The board or one of its hearing examiners must hold individual hearings on each properly filed petition that has not been withdrawn or otherwise disposed of.

WAC 458-14-076(1)

What we found

Petition 156.2020 was not heard because the property sold. This is not a valid reason to dismiss the petition as the appellant has the right for the petition to be heard regardless. It was not requested by the appellant to be withdrawn.

Action needed to meet requirement

Hold hearings for all timely and completely filed petitions unless the appellant withdraws the petition in writing, no less than two days prior to their scheduled hearing.

Why it's important

It is important that petitioners who file complete and timely petitions are provided due process.

Requirement – Good cause waivers

Requirement

The Board is required to provide good cause waiver information to appellants who have filed untimely.

What the law says

A petition that is filed after the deadline without a showing of good cause must be dismissed unless, after the taxpayer is notified by the board that the petition will be dismissed because of the late filing, the taxpayer promptly shows good cause for the late filing.

WAC 458-14-056(3)

What we found

There were petitions that were filed and stamped past the deadline. These petitions should have been given the opportunity to show good cause to waive the filing deadline.

Action needed to meet requirement

The Board is required to take the following actions:

- In enforcing the petition filing deadline, provide applicants who file late the opportunity to show good cause to waive the filing deadline.

Why it's important

Ensuring petitions are filed timely, and providing good cause waiver information if they are not, ensures timely petitions are heard and untimely petitions are given the opportunity to show good cause to waive the deadline.

Requirement – Hearing notice

Requirement

The Clerk is required to send out hearing notices at least 22 business days prior to the hearing.

What the law says

The assessor and taxpayer must be provided notice of the hearing date by the clerk of the board at least twenty-two business days before the hearing date, unless the clerk and the parties agree on a shorter time period.

WAC 458-14-076(2)

What we found

Of the 20 petition files reviewed, one petition file (137.2020) did not provide the appellant the required 22 business days' notice. The notice of telephonic hearing was sent on July 2, 2020 for a hearing to be heard on July 29, 2020. There is no documentation showing a shorter notice period was agreed to by both the assessor and appellant.

Action needed to meet requirement

Provide the appellant and assessor at least 22 days' notice of the hearing date.

Why it's important

Timely hearing notices provide the assessor and appellant a reasonable timeframe to prepare for the hearing and potentially work out any issues.

Recommendation – Forms and letters

Recommendation

The Department recommends the Board edit and update some of the forms and letters used.

What we found

1. The Board provides appellants an informational document along with the petition form. The document indicates there is a minimum of three sales needed. This sentence is not supported by any Washington State law or rule.
2. The Clerk provided a copy of their incomplete petition letter that had some misleading information. The checklist section of the letter indicates sections 6-11 of the petition need to be completed in order for the petition to be accepted. Only sections 1-5 of the petition are required.
3. The letter responding to appellants requesting a reconvene states “Please complete the attached taxpayer petition”. This is not required by law and should be removed from the letter.

Action recommended

The Department recommends the following actions be taken:

1. Remove the sentence about a minimum requirement of three sales, or at least indicate there is no statutory requirement for how many comparable sales need to be provided.
2. Remove “Section 6-11 – Not Completed” line from the list of reasons a petition could be considered incomplete.
3. Update the paragraph that mentions the petition to the appropriate language for reconvene requests.

Why it’s important

Clear and accurate information given to the appellants will help them understand the appeal process.

Recommendation – Values used in board orders

Recommendation

The Department recommend the Board Orders explain if the Assessor's value in the order is different from the change of value notice originally mailed to the appellant.

What we found

Two petition files reviewed had different values on sustained Board Orders than the value on the change of value notice. The Clerk indicated there were parcels in the year reviewed that received corrected change of value notices between the time the petitioner filed the petition and the corrected value notice was sent out. Therefore, the updated notice value was not included in the packet.

Action recommended

If the value changes between the petition date and the date the Board Order is issued, the Department recommends the Clerk obtain a corrected change of value notice to include in the petition file, or that the Board Order explains the value was changed by the Assessor after the petition was filed.

Why it's important

It's important to have accurate and up-to-date information in the Board Order.

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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