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Washington Department of Revenue Property Tax Division

2019 Review of the Klickitat County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted an on-site interview with the Clerk of the Klickitat County Board of Equalization (Clerk). The interview focused on the Klickitat 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 2018 assessment year for taxes payable in 2019
- 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 conducted an on-site visit to the Board's office. We 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 three 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 Board is required to include a copy of the value change notice or other determination with all petitions filed after July 1. (RCW 84.40.038 and WAC 458-14-056)
2. The Board is required to provide the appellant a petition form prescribed or approved by the Department.
3. The Board is required to inform the appellant their petition will be denied unless the appellant promptly requests a good cause waiver of the filing deadline.
4. The Board is required to request the approval of the county legislative authority to continue hearings after the regular 28-day convened session.

Recommendations

1. The Department recommends the Board update their website to include the most current real property, personal property, and current use petition forms on their website.
2. The Department recommends the Board post the dates of the three required meetings held during the regular convened session.
3. The Department recommends the Board update their incomplete petition letter.

Requirement – Value Change or Other Determination Notice to Accompany Petition

Requirement

The Board is required to include a copy of the value change notice or other determination with all petitions filed after July 1. (RCW 84.40.038 and WAC 458-14-056)

What the law says

Boards of equalization must only consider complete and timely filed taxpayer petitions. Petitions must be made on a form prescribed or approved by the Department. Any petitions not conforming to the requirements on the form cannot be considered complete.

What we found

During the review of the Board's files, we discovered five of the eight petitions filed after July 1 did not include a copy of the value change notice or other determination notice made by the Assessor as required on the petition form.

Action needed to meet requirement

Petitions made after July 1 that do not include a value change notice or other determination notice must be returned to the taxpayer with a letter explaining it is unclear if the petition was filed timely or not. The letter should include a reasonable deadline for the taxpayer to return the petition with the appropriate value change notice or other determination notice. If the petition is not returned by the deadline stated, the petition must be rejected. The rejection letter must include appeal rights to the Board of Tax Appeals (BTA).

Why it's important

Without a copy of the value change notice or other determination notice when the petition is received after July 1, it is impossible to determine if the petition has been filed timely. Only complete and timely filed petitions can be granted a hearing.

Requirement – Forms

Requirement

The Board is required to provide the appellant a petition form prescribed or approved by the Department.

What the law says

Appeals must be submitted to boards of equalization on either the form provided by the Department or a form approved by the Department. (RCW 84.40.038 & WAC 458-14-087)

What we found

The Board is providing an outdated form that has incorrect information. The Clerk provided a copy of form REV 64 0077e that was accepted for a petition packet dated December 7, 2018. The form used was the older version from 2012 and states, “I intend to submit additional documentary evidence to the Board of Equalization and the assessor no later than **seven** business days prior to my scheduled hearing.” The law had changed in July 2018 and allows appellants to provide additional evidence no later than **twenty-one** days prior to their scheduled hearing.

Action needed to meet requirement

The Board is required to take the following steps:

- The Board must submit customized petition forms to the Department for review & approval.

Why it’s important

The law states a petition must be submitted on the form provided or approved by the Department.

Requirement – Waiver of Filing Deadline for Good Cause

Requirement

The Board is required to inform the appellant their petition will be denied unless the appellant promptly requests 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.

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 (BTA). (RCW 84.40.038 and WAC 458-14-056)

What we found

The Clerk sends an appeal denial notice when an appellant does not have a complete and timely filed petition. The denial notice does not inform the petitioner they may request a waiver of the filing deadline if they promptly show good cause.

Action needed to meet requirement

The Board is required to take the following action:

- Add the good cause reasons to the appeal denial notice sent to appellants when denying a petition. The addition of the good cause reasons will provide petitioners with information that may allow them to continue the appeal process. If the appellant does not request a good cause waiver and meet one of the good cause reasons, the Board must deny the petition. The decision to either accept or deny the appellant's request to waive the filing deadline is not appealable to the BTA. (WAC 458-14-056(3))

Why it's important

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

Requirement – Regularly convened session

Requirement

The Board is required to request 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 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 continued to hold hearings after the 2018 assessment year's regular 28-day session ended, without receiving approval from the county legislative authority to convene after the 28-day session.

Action needed to meet requirement

The Board is required to take the following action:

- The Board must request 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)

Why it's important

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

Recommendation – Board of Equalization Website

Recommendation

The Department recommends the Board update their website to include the most current real property, personal property, and current use petition forms on their website.

What we found

The Board's website offers guidance on how to appeal your property assessment. Information on the website includes:

- Downloadable version of the Taxpayer Appeal form "Real Property Petition to the Klickitat County Board of Equalization" (Form REV 64 0075, version 6/2012).
- Downloadable version of the Taxpayer Appeal form "Personal Property Petition to the Klickitat County Board of Equalization" (Form REV 64 0076, version 6/2012).
- Downloadable version of the Taxpayer Appeal form "Real Property Petition to the Klickitat County Board of Equalization" (Form REV 64 0077, version 6/2012).

These forms were last updated in June 2019.

Action recommended

The Department recommends the Board include the option to download the:

- Real Property Appeal form (REV 64 0075)
- Personal Property Appeal form (REV 64 0076)
- Current Use Determination form (REV 64 0077)
- Exemption or Deferral Determination form (REV 64 0090)

If the Board does not use a customized appeal form for these purposes, a link to the Department's website should be added to the county website to provide access to these forms.

Why it's important

It is important that the appellant use the correct appeal form to notify a board of equalization and assessor of their concerns. Having all appeal forms available on the county website or link to the Department's website allows access to the correct appeal forms any time of day.

Recommendation – Publish meeting dates

Recommendation

The Department recommends the Board post the dates of the three required meetings held during the regular convened session.

What we found

The Board holds three meetings as required by WAC 458-14-046, but only publishes the dates on the courthouse bulletin board.

Action recommended

The Department recommends the Board take the following action:

- Publish the dates of the three required meetings in the Assessor's office, courthouse bulletin board, and newspaper, using the Department's *Notice of Meeting of the County Board of Equalization* form. (REV 64 0050)

Why it's important

Posting the Board's meeting dates serves as a public record and provides transparency of government process.

Recommendation – Form letters

Recommendation

The Department recommends the Board update their incomplete petition letter.

What we found

The Clerk provided a copy of their incomplete petition letter that had some misleading information. The letter states to “Please complete Item 11” and “If this information will be provided at a later date, please indicate this fact in the proper area of page 2 of the form under Item #11.”

These statements are misleading as the appellant only needs to complete boxes 1-5 on the petition form for it to be complete. Providing evidence or having box 11 checked are not required for a petition to be considered complete.

Action recommended

The Department recommends the Board:

- Remove statement “Please complete Item 11”
- Remove statement “If this information will be provided at a later date, please indicate this fact in the proper area of page 2 of the form under Item #11.”

Why it’s important

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