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Washington Department of Revenue Property Tax Division

2021 Review of the Pierce County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted a video conference interview with the Clerk of the Pierce County Board of Equalization (Clerk). The interview focused on the Pierce 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 2020 assessment year for taxes payable in 2021
- 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 a video conference interview with 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 two requirements 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 use a preponderance of evidence as the standard of proof to decide an appeal of the Pierce County Assessor-Treasurer's (Assessor) determination of non-valuation appeals.
2. The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Assessor offers a stipulated value agreement or different value.

Requirement – Standard of proof

Requirement

The Board is required to use a preponderance of evidence as the standard of proof to decide an appeal of the Pierce County Assessor-Treasurer's (Assessor) determination of non-valuation appeals.

The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Assessor offers a stipulated value agreement or different value.

What the law says

If a taxpayer shows by clear, cogent, and convincing evidence that a specific value within an overall assessed value is incorrect, then the standard of proof shifts to preponderance of the evidence for all contested issues related to that specific value (RCW 84.40.0301 and WAC 458-14-046).

What we found

In the introduction of the Hearing Procedures letter, it states "The Appellant must overcome this presumption of correctness by demonstrating clear, cogent and convincing evidence that the Assessor's value is incorrect", but it does not mention the standard of proof required to overturn the Assessor's determinations for non-valuation appeals is a preponderance of evidence.

Action needed to meet requirement

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

- Update the Hearing Procedures introduction to include if the Assessor recommends a different value or the valuation method is flawed, it reduces the standard of proof from clear, cogent and convincing, to a preponderance of evidence to decide the appeal.

Why it's important

When the Assessor makes a determination for a non-valuation appeal or recommends a different assessed value, they have acknowledged their method or certified value is not correct.

Requirement – Good cause waiver request

Requirement

The Board is required to inform the appellant their petition will be denied unless the appellant requests and qualifies for 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. The board must make a decision and promptly notify the taxpayer of the decision, in writing.

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

What we found

Petition 202100043 was not offered or decided on a good cause waiver request as it was dismissed as untimely.

Action needed to meet requirement

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

- When the Board receives a request to waive the filing deadline, due to good cause, they must send a notice informing the appellant whether they are granting or denying the request. If the Board denies the request, the notice should include language that specifically states *the waiver request for good cause is denied*. This statement is important because the Board's decision to deny a good cause waiver request is not appealable to the BTA.

Why it's important

Proper administration of petitions ensures a fair and equitable appeals process for both the appellant and the assessor.

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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