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Washington Department of Revenue Property Tax Division

2024 Review of the Franklin County Board of Equalization



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Overview

Introduction

The Department of Revenue (Department) conducted an interview with the Clerk of the Franklin County Board of Equalization (Clerk). The interview focused on the Franklin County Board of Equalization (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 2023 assessment year for taxes payable in 2024.
- 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 six requirements, and one recommendation 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 parties to an appeal are required to provide evidence to both the Board and the opposing party at least 21 business days prior to the hearing.
2. The Board is required to provide the parties to an appeal with their decision on a form prescribed or approved by the Department.
3. The Board is required to only accept complete and timely petitions and inform appellants of the good cause waiver reasons when a petition is denied as not timely filed.
4. The Clerk is required to keep and publish a record of the Board's proceedings.
5. The Board is required to keep confidential information separate and sealed from public inspection.
6. The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Assessor offers an adjusted value.

Recommendation

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

Requirement 1 – Evidence

Requirement

The parties to an appeal are required to provide evidence to both the Board and the opposing party at least 21 business 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

One petition file reviewed included a hearing notice with an incorrect deadline date, of August 4, 2023, for submission of additional evidence. The correct deadline should have been August 2, 2023.

The Board instructs taxpayers to submit additional evidence to the Board and to the Assessor. However, when the Board receives two copies of evidence submitted by a taxpayer, the Clerk forwards a copy to the Assessor.

Action needed to meet requirement

The Board is required to take the following actions:

- Correct the deadline date on hearing letters. To eliminate using an incorrect deadline date, the Board could use this language instead, "Additional evidence must be submitted at least 21 business days prior to the hearing."
- Discontinue forwarding evidence submitted by the parties to the Assessor. Petitioners must provide both the Board and the Assessor with any additional evidence they wish to submit.

Why it's important

The Board should not distribute appellant evidence to the assessor, as it does not support the appearance of independence between the board and assessor's office.

Requirement 2 – Orders

Requirement

The Board is required to provide the parties to an appeal with their decision on a form prescribed or approved by the Department.

What the law says

Boards of equalization must make decisions on complete and timely filed petitions and issue orders on a form provided or approved by the Department.

All orders of the board must be signed by the chairperson of the board, provided, that the chairperson may, by written designation, authorize other members or board clerks to sign orders on behalf of the chairperson (WAC 458-14-116).

If a taxpayer shows 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(6)).

What we found

Six petition files included orders with an incorrect assessment year listed. The taxpayers appealed the 2023 assessment year, but the orders list 2024 as the assessment year.

Accurate information in the orders provides the parties to the appeal with the Board's decision and the information necessary to appeal that decision. In addition, it ensures the proper action is taken to adjust the property tax assessment roll, if necessary.

Action needed to meet requirement

The Board is required to take the following action:

- Verify all orders state the correct assessment year for the appeal decision. The Board may wish to use the Department's order form (64 0058).

Why it's important

Clear and accurate orders provide taxpayers with transparency in the property tax appeals process.

Requirement 3 – Untimely and incomplete petitions

Requirement

The Board is required to only accept complete and timely petitions and inform appellants of the good cause waiver reasons when a petition is denied as not timely filed.

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.

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).

The Department of Revenue shall exercise general supervision and control over the administration of the assessment and tax laws of the state, over county assessors, county boards of equalization, and boards of county commissioners (RCW 84.08.010).

What we found

The petition files reviewed by the Department included:

- Two incomplete petitions that were accepted by the Board. The petitions were incomplete because they were submitted after July 3 and did not include value notices. Since July 1, 2023, was a Saturday the effective deadline date was the next business day, July 3, 2023. When July 1 occurs on a Saturday, Sunday, or holiday the deadline shifts to the next business day per RCW 1.12.070.
- Two petition files with untimely filed petitions. The Board's untimely filed petition letters did not inform the taxpayers of their option to request a waiver of the filing deadline for good cause.

Requirement 3 – Untimely and incomplete petitions, continued

Action needed to meet requirement

The Board is required to take the following actions:

- When an incomplete petition is received, the Clerk must send an incomplete petition notice informing the petitioner of the information that is missing and a deadline to provide it. If the petitioner provides the necessary information by the required deadline:
 - Accept the completed petition and schedule a hearing.If the petitioner does not provide the necessary information:
 - Inform the petitioner their petition is denied as incomplete.
- Only accept petitions submitted after July 1 as complete when the petition form is completed, signed, and accompanied by a value notice. When July 1 is a Saturday, Sunday, or holiday the deadline for petition submission shifts to the next business day.
- Update the late filing denial letter to include information notifying petitioners of the good cause waiver reasons.
- The Clerk could accomplish this by adding language to the letter such as, “The petitioner may request a good cause waiver if they qualify for one of the reasons listed in WAC 458-14-056.” In addition, the Clerk could include a copy of the rule with the letter.
- When a good cause waiver request is received, decide if the petitioner qualifies for a waiver of the filing deadline due to good cause. If the request is approved:
 - Inform the petitioner their request is granted, in writing, and schedule a hearing.If the request is denied:
- Inform the petitioner their request is denied, in writing. The Clerk should specifically state in the denial letter, “The petitioner’s good cause waiver request is denied.” This language is important because Board decisions for good cause waiver requests are not appealable to the BTA.

Why it’s important

Proper administration of petitions ensures equity and provides a fair process for the appellant and assessor.

Requirement 4 – Record of hearing

Requirement

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

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)).

What we found

The Board did not publish the record of hearings on their website.

One petition file included an incomplete record of hearing. It did not list the board members present, hearing time, or taxpayer’s address.

Action needed to meet requirement

The Board is required to take the following action:

- Keep a complete record of hearing in each petition file that includes a hearing. In addition, the record of hearings must be published in the same manner as other county legislative authority proceedings. The Franklin County Legislative Authority publishes their proceedings on their website.

Why it’s important

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

Requirement 5 – Confidential information

Requirement

The Board is required to keep confidential information separate and sealed from public inspection.

What the law says

Confidential evidence is exempt from public disclosure and must be placed in an envelope, which is sealed from public inspection and bears the notation “confidential evidence” and the case number (WAC 458-14-095).

What we found

During the interview, the Clerk stated that if the Board perceived evidence provided to them was confidential, she would verify with the taxpayer whether the information was confidential. If it was deemed confidential, she would ensure only she and the Board had access to it.

Action needed to meet requirement

The Board is required to take the following action:

- Determine whether a petition file contains confidential evidence and file appropriately. Keep paper files containing confidential information in a sealed envelope, labeled with the notation “confidential evidence” and the case number. Electronic files must be kept in the same manner, with confidential information in the file kept separate, labeled with the notation “confidential evidence” and the case number.

Why it’s important

Proper handling of evidence and testimony ensures confidential information is not inappropriately disclosed and reduces risk for the county.

Requirement 6 – Standard of proof

Requirement

The Board is required to reduce the standard of proof from clear, cogent, and convincing to the preponderance of evidence, when the Assessor offers an adjusted value.

What the law says

If a taxpayer shows by clear, cogent, and convincing evidence that the overall approach or 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

One of the petition files reviewed by the Department includes a recommendation by the Assessor for a reduction of the assessed value, based on evidence provided by the petitioner during the hearing. This means the Board must reduce the standard of proof to a preponderance of evidence make their decision. The Board determined the Assessor’s recommended assessed value was correct. However, the order did not state the standard of proof for their decision was a preponderance of evidence.

Action needed to meet requirement

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

- When the Assessor recommends a different value at a hearing they relinquish their presumption of correctness, reducing the standard of proof to a preponderance of evidence. When this occurs, the Board must:
 - Make their decision using a preponderance of evidence as the standard of proof and clearly state the standard of proof in the order.

Why it’s important

Board decisions made with the standard of proof required by law ensures equity in the appeals process, for all taxpayers.

Recommendation 1 – Website

Recommendation

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

What we found

The Board posts the dates of their three required meetings held during the regular convened session in the courthouse, but not on the county website.

Action recommended

The Department recommends the Board take the following action:

- Publish the dates of the three required meetings held during the regular convened session on the county website in addition to posting the dates in the courthouse.

Why it's important

Posting the Board's meeting dates serves as a public record and provides transparency of government 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 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 the recommendation in our report, please contact us at:

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