

King County Board of Appeals and Equalization

Report No. 94-09

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INTRODUCTION AND BACKGROUND

The study of the Board of Appeals and Equalization was requested by the King County Council.

The Board of Equalization (BOE) is composed of seven (7) members appointed by the County Executive and confirmed by the County Council for a four-year term. The Board of Equalization is vested with the power to hear and decide all appeals from any property valuation by the Department of Assessments. The Board of Equalization also examines other matters related to assessment of property in the County as provided by general law. Acting as the Board of Appeals the same members hear appeals from certain specified orders by an executive department or administrative office (KCC 2.34). In 1992, the last revalue year, the Board of Equalization received 17,679 real property assessment petitions.

OBJECTIVE

The study objective was to review the operation of the Board of Equalization and to determine how it can avoid a substantial backlog of property tax appeals.

GENERAL CONCLUSION

The general conclusion of the study is that the petition processing time may be too long. However, there is no guideline as to what constitutes an acceptable processing time. The length of the processing time is a function of the cyclical nature and volume of petitions, Assessor response requirement, availability of board members and hearing examiners, and scheduling constraints. Changes in any of these variables impact petition processing time. The study recommends that the Board of Equalization develop petition responsiveness goals and performance measures and use these goals and performance measures to guide the scheduling of petition hearings, determination of budget requirements, and other Board of Equalization activities.

MAJOR FINDINGS AND RECOMMENDATIONS

Finding 1 - It took an average of 266 days to process a real property assessment petition. However, complaints were low and petitioners surveyed were generally satisfied with the appeals process.

Recommendation II-1-1

The Board of Equalization should develop petition responsiveness goals related to the date of filing, e.g., a goal may be that petitions will be heard no more than "x" days after it is filed and accepted as complete by the Board of Equalization. These goals could be used to guide the scheduling of petition hearings, budget requirements, and other Board of Equalization activities.

Finding 2 - Current procedures for handling real property assessment value appeals appear to be satisfactory. However, minor changes may improve the process.

Recommendation II-2-1

The Board of Equalization when receiving form requests should consider inputting the information (name and address) directly into the computer and have the computer print labels or print it directly on the envelope. This would result in a more professional looking response to the request. In addition, the name and address of the petitioner would already be in the computer when the petition is received. Inputting the name and address of the petitioner would also allow the Board of Equalization to keep track of the number of petition requests made. One disadvantage of this process is if the petitioner decides not to file. This could be remedied by having a procedure (manually or automatically) in the computer to erase the name and address of the petitioner if the petition is not filed after a period of time.

Recommendation II-2-2

The Board of Equalization should encourage and support increased stipulations in resolving disagreements between the taxpayers and the Assessor regarding property valuation.

Finding 3 - Board of Equalization members appear to be knowledgeable with regard to appraisal methodology, receive compensation competitive with other counties' Boards of Equalization, work a reasonable schedule, and have a consistent scheduling methodology. However, documentation of the basis for decisions and decision quality control were lacking.

Recommendation II-3-1

The following recommendation could require additional funds. Thus, it is dependent on council policy regarding how the Board of Equalization should operate. The Board of Equalization should consider the consequences of using just one examiner or one board member to hear cases on the credibility of Board of Equalization decisions. If the Board of Equalization decides that it is in the best interest of the Board of Equalization to have petitions heard by more than one person, the Board of Equalization should request that the Council provide additional funds. Another option which may be considered by the Board of Equalization is to employ procedures similar to those used by the State Board of Tax Appeals. That is, to issue a proposed decision for the petitioner and the Department of Assessments to review and make its finalization subject to the filing of an exception by either party within a specified number of days after the proposed decision is issued.

Recommendation II-3-2

The Board of Equalization should develop documentation standards which would allow determination of the basis for decisions rendered by the Board of Equalization. Documentation included in the file should include comparable sales, cost approach, income approach, assumptions, and other pertinent information which was used in making the decision. A possible approach would be to follow the appraisal standards required by financial institutions providing home mortgages, e.g., detailed information on the comparable properties.

Recommendation II-3-3

The Board of Equalization should periodically review a sample of decisions to assure decision consistency and accuracy. In addition, procedures should be developed to annually examine all decisions by area, property type, board member, examiner, etc., to determine decision pattern(s), which may require further investigation.

Finding 4 - Board of Equalization staff work as a team and are cross-trained. However, staff could be better utilized during the slow periods.

Recommendation II-4-1

The Board of Equalization should provide the Council with a projection of Board of Equalization staff availability to perform special Council projects.

Recommendation II-4-2

The Council should identify special projects which Board of Equalization staff may perform on a time-available basis.

Updated: 06/24/02