



# KING COUNTY AUDITOR'S OFFICE

AUGUST 2, 2021

## Follow-up on Property Tax Appeals Audit

**The Department of Assessments (DOA) and the Board of Equalization (BOE) have made significant progress to improve the transparency and effectiveness of the property tax appeals process.** The DOA has identified cost-effective ways to improve opportunities for pre-hearing communication with appellants. Both DOA appraisers and the department's public information team play roles in this communication, depending on the complexity of the appeal or the appellant's questions. In addition, the BOE has increased the amount of information shared with the DOA and appellants. The board's written orders now include a greater level of detail about why an appeal was successful or unsuccessful. The BOE has also started tracking and sharing information about how late evidence influenced decisions. These changes will help the DOA and BOE continuously improve their appeal practices and also improve customer service for appellants navigating the appeals process.

**The BOE is still working on codifying skills and experience requirements for board members.**

Although it has identified the necessary experience for future applicants, it still needs to work with the King County Council to formalize these requirements in county code. This will help ensure that the BOE generates accurate and fair appeal decisions.

Of the 10 audit recommendations:

|   |   |   |                      |   |                  |
|---|---|---|----------------------|---|------------------|
|  | 9<br><b>DONE</b>  |  | 1<br><b>PROGRESS</b> |  | 0<br><b>OPEN</b> |
| <b>Fully implemented</b><br>Auditor will no longer monitor.                         | <b>Partially implemented</b><br>Auditor will continue to monitor. | <b>Remain unresolved</b><br>Auditor will continue to monitor.                       |                      |   |                  |

Please see details below for implementation status of each recommendation.

### Recommendation 1

On April 1, 2020

DONE



### Recommendation 2

DONE



**The Department of Assessments should develop and implement a plan to ensure that all appellants have equitable opportunities to have informal communication before a hearing.**

STATUS UPDATE: As noted in the 2020 follow-up report, the DOA conducted a pilot study of increasing direct communication with residential appellants. The pilot generated mixed results in terms of customer satisfaction and time savings. The DOA determined that expanding the pilot to all residential appeals would not be possible without more staff. Since then, the DOA has identified less resource-intensive methods to improve communication with residential appellants. The DOA updated the Residential Manual for appraisers with instructions and resources on how to triage and prioritize outreach for appeals. This allows appraisers to spend more time on the most complex problems where outreach may be the most beneficial. The appraisal team also coordinates with the public information team—they continue to provide these front-line staff with information about valuations, trends, and frequently asked questions so that they can pass the information along to members of the public who call in with questions. Public information staff can refer appellants to appraisal staff for more difficult questions. The DOA also noted that it has information available for appellants on its website about how appraisals are determined.

IMPACT: In addition to improving the customer service experience, the increased communication with appellants has the potential to reduce the number of unfounded appeals, saving time for both appraisers and appellants.

### Recommendation 3

On April 1, 2020

DONE



### Recommendation 4

On April 1, 2020

DONE



### Recommendation 5

PROGRESS



**The Board of Equalization should work with the County Council to amend code language to include requirements for skills and experience relevant to the duties of the clerk and board members**

STATUS UPDATE: The BOE has determined key skills and experience requirements for boardmembers. For example, it specified that members should have a background in at least one listed area of expertise (including real estate valuation, land use, and administrative law, among others). It has included these requirements in recent boardmember recruitments. The board has not yet codified these requirements due to disruptions from the COVID-19 emergency. The BOE plans to resume pursuing codification of these requirements in the fourth quarter of 2021.

WHAT REMAINS: The BOE still needs to work with the County Council to amend the code language to specify the skills and experience requirements for boardmembers.

### Recommendation 6

DONE



**The Board of Equalization should increase the level of detail about decision reasoning in board orders so that the Department of Assessments and appellants can understand what evidence was most persuasive**

STATUS UPDATE: The BOE has increased the level of detail in the official board orders to match the amount of information recorded in its internal documentation. For example, orders now specify which comparison sales were deemed most similar to support a new valuation rather than just stating that the board used the sales comparison approach. The clerk supplements this information in the board orders with citations to relevant appraisal practices, laws, and regulations.

IMPACT: This increased level of detail increases transparency for both appellants and the DOA so that they can understand why a value was sustained or adjusted. This improves customer service for appellants. It can also help the DOA improve its practices for future appeals and appraisals.

### Recommendation 7

DONE



**The Department of Assessments should create a plan to use the detailed reasoning in board orders from the Board of Equalization and, once the Board of Equalization has implemented Recommendation 6, the Department of Assessments should implement its plan**

STATUS UPDATE: The DOA has implemented its plan to use this detailed board reasoning for internal tracking and process improvement. The DOA provides board decisions to senior staff (including the division director) in addition to the appraiser who performed the initial appraisal and responded to the appeal. They review the decisions for reasoning about why the appeals were successful or unsuccessful and track patterns in board decision-making and outcomes. The DOA noted that they can still appeal decisions to the State Board of Tax Appeals if they disagree with the reasoning of board on individual cases.

IMPACT: Reviewing and tracking this information can help the DOA improve practices and increase the effectiveness of future valuations and appeals.

### Recommendation 8

On April 1, 2020

DONE



### Recommendation 9

DONE



**The Board of Equalization should work with the Department of Assessments to include data about evidence submitted past the 21-day deadline and whether it was important to final decisions, and this data should be used to inform agency decision-making**

STATUS UPDATE: The BOE has added new codes to its petitions database specifying whether late evidence was submitted, by whom, and whether or not the late evidence impacted the board’s decision. The DOA has access to this database and runs reports on the frequency of the late evidence codes. In addition, the BOE shares any accepted late evidence for a particular case with the DOA. When applicable, the DOA uses this information to correct characteristics and market data for future appraisals.

IMPACT: Tracking data on late evidence allows the BOE and DOA to assess whether or not late evidence is influencing appeal decisions. This information can help the BOE make continuous improvements to its practices around late evidence. It can also help the DOA to make informed decisions about how to allocate time and resources between appeals and other appraisal work.

## Recommendation 10

On April 1, 2020

**DONE**



---

Mia Neidhardt conducted this review. If you have any questions or would like more information, please contact the King County Auditor’s Office at [KCAO@KingCounty.gov](mailto:KCAO@KingCounty.gov) or 206-477-1033.