

HOUSE BILL REPORT

HB 1656

As Reported by House Committee On:
Local Government

Title: An act relating to Washington's property assessment appeal procedures.

Brief Description: Concerning Washington's property assessment appeal procedures.

Sponsors: Representatives Takko, Springer, Rodne, Tarleton, Hudgins, Sullivan, Magendanz, Walkinshaw, Stokesbary, Bergquist, Goodman, Stanford, Cody, Gregerson, S. Hunt and Wylie.

Brief History:

Committee Activity:

Local Government: 2/4/15, 2/11/15 [DP].

Brief Summary of Bill

- Changes the amount of time prior to a county board of equalization (board) hearing, when information or evidence held by a taxpayer or the county assessor must be made available or provided to the other party and the board, from either seven or 14 business days to 21 business days.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 5 members: Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon, McBride and Peterson.

Minority Report: Do not pass. Signed by 4 members: Representatives Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; McCaslin and Pike.

Staff: Michaela Murdock (786-7289).

Background:

Each year, all real and personal property subject to taxation must be listed and assessed, with reference to its value or its value and ownership. All property must be valued at 100 percent of its true and fair value and assessed on the same basis, unless otherwise provided by law.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The county assessor (assessor) begins the preliminary work for each assessment by December 1 of each year, and with certain exceptions, must finish listing and placing valuations on all property by May 31 of each year.

For real property, the assessor must determine and enter on the assessment list and tax roll: (1) the true and fair value of each tract or lot of land; (2) the true and fair value of the improvements on each tract or lot of land; and (3) the 100 percent valuation of the land and improvements. In addition, the assessor must make an alphabetical list of all persons in the county liable to assessment of personal property, and require each person to make a correct list and statement of the property. Upon receipt of the list and statement, the assessor must determine the true and fair value of the property and enter 100 percent of the value on the assessment roll.

County Board of Equalization.

A county board of equalization (board) meets each year on July 15 in open session to examine and compare the returns of assessments of property of the county. The board must equalize property assessments so that each tract or lot of real property, and each article or class of personal property, is entered on the assessment list at its true and fair value, according to the measure of value used by the assessor. The board may continue in session and adjourn from time to time during a period not to exceed four weeks.

During the equalization process the board: (1) must raise the valuation of real or personal property that is returned below its true and fair value; (2) must reduce the valuation of real or personal property that is returned above its true and fair value; and (3) may review all claims for either real or personal property tax exemption as determined by the assessor, and must consider any taxpayer appeals from the decision of the assessor. The assessor must correct the real and personal property rolls in accordance with the changes made by the board.

Petition to the County Board of Equalization.

The owner or person responsible for payment of taxes on any property may petition the board for a change in the assessed valuation placed on the property by the assessor, or for any other reason authorized by statute. The petition must be filed on or before one of the following dates, whichever is later:

- on or before July 1 of the year of the assessment or determination;
- within 30 days after the assessment, value change notice, or other notice was mailed, electronically transmitted, or otherwise provided; or
- within a time limit of up to 60 days, as set by the county legislative authority.

When a petition is filed with the board for review of a tax claim or valuation dispute, the assessor must make available to the taxpayer upon request a compilation of comparable sales and other valuation criteria, if any, utilized by the assessor in establishing the property's valuation. Within 60 days of a taxpayer's request, but at least 14 business days prior to a taxpayer's appearance before the board, the assessor must make the requested information available to the taxpayer, as well as provide to the taxpayer and the board any new evidence supporting the assessor's valuation, if applicable.

A taxpayer who lists comparable sales on the notice of appeal may not subsequently change those sales, unless the taxpayer has found new evidence supporting his or her proposed

valuation. The taxpayer must provide any additional evidence to the assessor and the board at least seven business days prior to the hearing. If these statutory timelines for submitting evidence are not followed, the board may continue the hearing or refuse to consider untimely evidence.

Summary of Bill:

With regards to board hearings on taxpayer petitions, the deadlines for when information or evidence held by a taxpayer or the assessor must be made available or provided to the other party and the board, are modified:

- An assessor must make valuation criteria and comparable sales available to a taxpayer at least 21 business days prior to the hearing.
 - An assessor must provide to the taxpayer and the board new evidence, if any, supporting the assessor's property valuation at least 21 business days prior to the hearing.
 - A taxpayer must provide additional evidence, if any, supporting his or her proposed valuation to the assessor and the board at least 21 business days prior to the hearing.
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Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) It is very frustrating for assessors when tax appeals drag on at the local level. This bill will help prevent such delay by requiring people to provide information supporting their appeal by a certain date, thereby giving sufficient time for review of the information before the board hearing. County assessors are interested in getting these appeals heard and decided; it is not about winning or losing, it is about keeping the process going.

Under the current statutory deadline, when new evidentiary materials for complicated tax appeal cases are submitted, the parties involved only have seven days to review the material. It is virtually impossible to read and understand this information in seven days. This bill extends the deadline to 21 days before the hearing for submissions by both the assessor and the taxpayer. Just as in court cases, both parties have to provide their evidence at the same time. Everyone then has a fair and equal amount of time to review the information. Changing the timeline will also save costs and prevent delays; rescheduling hearings to provide additional time for review is expensive.

This bill was previously heard by the committee, but has been corrected and modified. For example, a previous bill provided for a 60-day timeline. In response to stakeholder input, the current bill has shortened that timeframe to 21 days.

(Opposed) None.

Persons Testifying: Representative Takko, prime sponsor; and Lloyd Hara, King County.

Persons Signed In To Testify But Not Testifying: None.