

# HOUSE BILL REPORT

## SSB 5133

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**As Passed House:**  
April 11, 2017

**Title:** An act relating to county boards of equalization.

**Brief Description:** Concerning county boards of equalization.

**Sponsors:** Senate Committee on Local Government (originally sponsored by Senator Takko).

**Brief History:**

**Committee Activity:**

Local Government: 3/21/17, 3/23/17 [DP].

**Floor Activity:**

Passed House: 4/11/17, 51-47.

### Brief Summary of Substitute Bill

- Requires county boards of equalization (boards) to meet by July 15 or within two weeks of certification of assessment rolls, whichever is later, in order to examine and compare the returns of assessment of property of the county.
- Requires boards to notify the taxpayer and county assessor of decisions on taxpayer appeals within 45 days of a hearing relating to disputes of the assessed value of property.
- Removes the August 18 deadline by which county assessors must forward corrected real and personal assessment rolls to the Department of Revenue.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 4 members: Representatives Appleton, Chair; McBride, Vice Chair; Gregerson and Peterson.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Griffey, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Taylor.

**Staff:** Yvonne Walker (786-7841).

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*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.*

**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. For real property, the county assessor (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.**

A property owner or person responsible for payment of taxes on any property, who disputes the assessed value of their 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.

If a change is made to the assessed value placed on the property, the assessor must correct the real or personal property assessment rolls in accordance with the changes made by the board. The assessor must make duplicate copies of the corrected values and retain one copy in the assessor's office and forward the second copy to the Department of Revenue (DOR) by no later than August 18.

**Summary of Bill:**

A county board of equalization (board) must meet annually by July 15 or within two weeks of certification of the county assessment rolls, whichever is later.

If a taxpayer disputes the assessed value of his or her property and petitions the board for a change in the assessed value, the board must notify the taxpayer and the assessor of its decision within 45 days of any hearing on the taxpayer's appeal.

The August 18 deadline by which the assessor must forward to the DOR corrected real and personal assessment rolls in accordance with changes made by a board is removed. The assessor is no longer required to make duplicate abstracts of the corrected values to retain in the assessor's office or to forward to the DOR.

**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 tough for county assessors to have their work done by the July 15 date. By statute, many boards must convene in counties before the rolls are certified. This bill states that if there is a certified tax roll then the assessors can go ahead and meet; otherwise they can wait. The bill also contains other changes to help assessors with the process.

The underlying bill changes a couple of dates in law, which is necessary. A few years ago, a law was enacted allowing county legislative authorities to extend the period for filing appeals from 30 to 60 days. This gave taxpayers more time to appeal their values and discuss their concerns. However, the date specified in statute could not be met. Although this bill started as a cleanup bill to fix those dates, the bill has been amended to help a situation that arose in several counties involving boards of equalization delaying hearing orders for extended periods.

Approximately two years ago, the board of equalization lost a part time employee due to budget constraints. When that happened, it was found that there was no requirement for when assessors had to issue orders. Since hearing orders were not required in statute, assessors choose to focus on things that were required in law. This caused a backlog in issuing orders. Until an assessor receives a formal order from the board of equalization, they cannot change a taxpayer's property value to reflect the adjustment made by the board. An assessor also cannot make the decision as to whether or not to appeal a property's assessed value to the State Board of Tax Appeals. In order to avoid having taxpayers wait extensive periods, assessors have requested that current statute is amended to include the 45-day requirement for notifying taxpayers of decisions on appeals.

(Opposed) None.

**Persons Testifying:** Senator Takko, prime sponsor; and Steven Drew, Thurston County Assessor's Office.

**Persons Signed In To Testify But Not Testifying:** None.