
Finance Committee

HB 1429

Brief Description: Changing the burden of proof on property tax appeals.

Sponsors: Representatives Bush, Shabro, Mielke, Benson, Anderson, Carrell, Boldt, Roach, Sump, Hinkle, Kristiansen, Schindler, Ahern, McMahan, Campbell, Pflug and McDonald.

Brief Summary of Bill

- Makes it the burden of the county assessor or Department of Revenue to show a property tax valuation is correct, if the increase in valuation is more than two percent per year.

Hearing Date: 2/6/03

Staff: Bob Longman (786-7139).

Background:

All property in this state is subject to the property tax each year based on its value, unless a specific exemption is provided by law. Generally, the county assessor establishes the assessed value for property tax. However, the Department of Revenue (DOR) determines values for multi-county public utilities, such as railroad companies, airplane companies, electric light and power companies, gas companies, telephone companies. The assessment standard is 100 percent of market value for both local and state assessment.

County boards of equalization provide the first level of appeal for most property owners who dispute the assessed value of their properties. The decision of the county board can be further appeal to the state Board of Tax Appeals (BTA). Appeals of DOR valuations of utility companies are taken directly to the BTA. Decisions by the BTA can be further appealed in the courts. A taxpayer can also choose to bypass both the county and state boards, and bring a tax refund action directly in Superior Court.

In all appeals, the assessed value determined by the assessor or the DOR is presumed to be correct but can be overturned by clear, cogent, and convincing evidence to the contrary.

Summary of Bill:

If the increase in valuation is two percent or less per year, the assessed value determined by the assessor or the Department of Revenue (DOR) is presumed to be correct but can be overturned by clear, cogent, and convincing evidence to the contrary.

If the increase in valuation is more than two percent, it is the burden of the county assessor or DOR to show it is correct. This rule applies to court or appellate reviews commenced after August 1, 2003.

Appropriation: None.

Fiscal Note: Requested on January 28, 2003.

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