

HOUSE BILL REPORT

ESHB 2925

*As Passed House
February 17, 1992*

Title: An act relating to county boards of equalization.

Brief Description: Modifying provisions regarding the county board of equalization.

Sponsor(s): By House Committee on Revenue (originally sponsored by Representatives Wang, Brumsickle, Leonard, Wynne, Rust, Van Luven, Fraser, Winsley, Mitchell, Rasmussen, Ludwig, Brough, Carlson, Nelson, Forner and May).

Brief History:

Reported by House Committee on:
Revenue, February 6, 1992, DPS;
Passed House, February 17, 1992, 95-2.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Carlson; Day; J. Kohl; Leonard; Morris; Morton; Rust; and Van Luven.

Staff: Rick Peterson (786-7150).

Background: County boards of equalization provide the first level of appeal for property owners who dispute the value placed on their property by the assessor. Appeals of Board of Equalization decisions are taken to the state Board of Tax Appeals. Appeals to the state Board of Equalization must be made within 30 days.

County boards of equalization ensure all parcels of property are valued correctly by:

- (1) Ruling on appeals filed by property owners who believe their property has been incorrectly assessed;
- (2) Examining the county assessment roll and "equalizing" the property values; and

- (3) Approving certain corrections discovered by the county assessor after the property tax roll has been closed.

Substitute House Bill 1301, 1991 regular session, directed the Department of Revenue to study the administration of the property tax system. The study included an examination of the effectiveness of county boards of equalization. The department's recommendations included the following:

- (1) Allow property owners to file appeals directly with the state Board of Tax Appeals under limited situations;
- (2) Scale back the county board's equalization function; and
- (3) Streamline the error corrections process.

Summary of Bill: Property owners are allowed to appeal their valuation directly to the state Board of Tax Appeals when the assessor, owner, and a majority of the county Board of Equalization agree.

The county Board of Equalization's broad power to equalize property values is limited. The board will review assessed values for properties that are directly appealed to the board and may adjust values for adjoining tracts when evidence presented at a hearing makes it clear these tracts are not at their true and fair value.

An assessor may make corrections to the assessment roll of clerical and other errors that do not involve a revaluation of the property without review by the Board of Equalization. No correction shall be made for periods prior to three years from discovery of error.

The assessor may make corrections that involve a revaluation of the property after the certification of the assessment roll under the following conditions:

- (1) The taxpayer and the assessor have agreed to the correct property value; and
- (2) The taxpayer has appealed to the Board of Equalization and a hearing has not yet been held.

An appeal to the state Board of Tax Appeals that is postmarked within 13 days of the mailing of the Board of Equalization decision shall be considered to be filed within the 30 day appeal period.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect June 1, 1992.

Testimony For: There is a need to streamline some functions of the Board of Equalization. The boards do not currently use their broad powers of equalization and do not have the expertise to do so.

Testimony Against: None.

Witnesses: George F. Tyler; Bruce Holland, King County Assessor; Fred Saeger, Washington Association of County Officers; Ben Gassaway, Washington State Association of County Assessors; and Will Rice, Department of Revenue.