

SENATE BILL REPORT

ESHB 2925

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1992

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

**SPONSORS:** 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)

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, M. Kreidler, Murray, Newhouse, Saling, L. Smith, Talmadge, Williams, and Wojahn.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** February 24, 1992; February 25, 1992

**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.

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.

In 1991, the Legislature 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:**

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 state Board of Tax Appeals may return direct appeals to the county board of equalization. Appeals of the board of equalization's action must be postmarked by the thirtieth day after the mailing of the decision of the board.

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 for clerical and other errors that do not involve a revaluation of the property without review by the board of equalization. Corrections are limited to three years before the year in which the error is discovered.

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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**Effective Date:** June 1, 1992

**TESTIMONY FOR:**

This bill streamlines the correction process. It allows the process to run quicker and more efficiently. The Board of Equalization's equalization powers are more clearly defined.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Rep. Wang; Bruce Holland, King County Assessor; Will Rice, Department of Revenue