

May 11, 2009

THE SPOKESMAN-REVIEW

Appealing your Property Taxes

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Many taxpayers in and around Spokane County have been dismayed over increases in property values over the last few years. I would like to offer some guidance to help you prepare, if you decide to appeal your property value to the Spokane County Board of Equalization (BOE).

After eight years on the BOE and now its chairperson, I have watched many taxpayer appeals have little impact because they were not prepared, or appealed something other than "Market Value."

It is important to note that the BOE is not a watchdog organization or an oversight committee of the Assessor's office. We are completely independent of the Assessor's office. Our task is to make decisions "based upon the evidence presented by the taxpayer and the Assessor's office as to Market Value of the property on January 1 of the assessment year." For example, we are currently considering appeals for values established as of January 1 2008.

There are constraints placed upon the appeals process. Things we cannot consider (as they are generally irrelevant to Market Value) include:

Assessments of other properties. There are many reasons that assessed value comes out differently even within a neighborhood. Spokane County is on an annual cycle of re-valuation, but properties are only physically inspected about every 6 years. So you may have been inspected in 2007, but your neighbor may not have been since 2002. In addition, homes vary widely in features that add value. Assessments may also vary due to the taxpayer's special circumstances (age, disability, income, etc.)

The amount of the tax. The levy rate determines the amount of the tax, but is set by the taxing authority's budget, not by the assessment. For example, properties of equal value may be taxed differently if located in different school districts.

Hardship. Unfortunately, RCW 84.40 constrains the BOE from considering the financial or emotional hardship of the taxpayer.

You can win your appeal, but you must try to set aside the emotional aspects and focus on the facts related to Market Value.

What determines Market Value?

The formal definition of Market Value is “What a ready, willing and able buyer is willing to pay in an arm’s-length transaction.” Arm’s-length means no foreclosure, no bank repossession, no sale among family members, etc. In short, this means a sale between buyer and seller who are business and social strangers.

Market Value is determined in residential properties by examining recent sales of similar properties (comparables), and making value adjustments based upon features. “Recent” means within 6 months, or if in a slow market, the Assessor may go back five years. There may also be an adjustment for time that considers inflation or deflation.

How does one appeal?

In today’s world of ever-increasing expenses, it is rare we can do anything about more money coming out of our pockets. With the Assessment Appeals process, you have a real opportunity to do something about that. Here are steps to assist you:

- When you receive your re-valuation notice in June, you have 30 days to file your initial appeal petition. You will also have additional time to provide more support documentation. Contact information is included in your notice.
- Once you receive an appeals package from the BOE, read your appeal notice and forms carefully before seeking the data for your determination of Market Value.
- Get a fee appraisal from a licensed Appraiser. The appraiser will charge a fee, but this is the surest way of establishing value. That appraisal must establish value as of January 1 of the Assessment Year.
- You may also obtain a Market Analysis from a reputable Real Estate Agent (not just a letter, but a Comparative Market Analysis). This may or may not involve a fee. This valuation must also establish value as of January 1 of the Assessment Year.
- Be advised that Property Tax Reassessment scams are on the rise in recent years. Beyond the recommended Fee Appraisal and/or a Comparative Market Analysis, you do not need to pay an outside company a substantial fee to accomplish the above items.
- Take lots of photos to illustrate any conditional issues with the property.
- If there are mistakes with the assessment (e.g. square footage, number of bedrooms or bathrooms, size of lot, etc.), document those differences with blueprints, surveys, builder floor plans, etc.
- Gather all materials and forward to the BOE no later than 7 days before your hearing date.

You may be able to resolve the difference with the Assessor prior to the hearing. If not, you may attend the hearing to testify, but attendance is not mandatory. If you prepare properly, you may be able to overcome the Assessor's "presumption of correctness" as established by RCW 84.40.

Remember, the Board of Equalization members are all taxpayers too. We absolutely guarantee a fair and equitable consideration of your appeal. If more taxpayers would prepare properly more often, we would have more grounds to adjust values. For more information, visit our Website at www.spokanecounty.org/boardofequalization.

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