

PACIFIC COUNTY BOARD OF EQUALIZATION

AGENDA

PACIFIC COUNTY GENERAL ADMINISTRATION

*PO Box 6, South Bend, WA 98586
360-875-9334 or 360-642-9334*

OCTOBER 10, 2023 @ 8:15 AM

**Commissioners' Meeting Room
Courthouse Annex, South Bend**

1. Approve September 12, 2023 Minutes
2. Discussion regarding notice to county legislative authority to reconvene the 2023 Session of Board of Equalization (*RCW 84.48.010 and WAC 458-14-046*)
3. Swear in Hearing Examiner Eric Weston for the 2023 Session
4. Assessor's Report on Annual Cycle 1 by Connie Williams-Chief Appraiser
5. Adjournment

COPY

PACIFIC COUNTY BOARD OF EQUALIZATION
September 12, 2023 at 8:45 am
Courthouse Annex
BOCC Meeting Room, South Bend, Washington

Minutes of a regular session of the Board of Equalization held on September 12, 2023 at 8:45 a.m. Present were Lisa Olsen-Chair, Jerry Doyle-Vice Chair, David Tobin-Member, Kelli D. Buchanan-Board of Equalization Clerk, Mindy Young-Board of Equalization Deputy Clerk, and Paul Plakinger-County Administrative Officer. *(Please refer to audio recording of the meeting for more detailed discussion).*

Chair Olsen called the meeting to order at approximately 8:45 a.m.

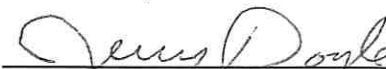
Jerry Doyle moved to approve the September 11, 2023 minutes. David Tobin seconded; motion carried.

With no further business to come before the Board of Equalization, the meeting was adjourned.

PACIFIC COUNTY
BOARD OF EQUALIZATION



Lisa Olsen, Chair



Jerry Doyle, Vice Chair



David Tobin, Member

ATTEST:



Kelli D. Buchanan, Board of Equalization Clerk



Pacific County **BOARD OF EQUALIZATION**

Kelli D. Buchanan, Clerk

MEMORANDUM

TO: Board of Pacific County Commissioners

FROM: Kelli D. Buchanan, Board of Equalization Clerk

DATE: October 10, 2023

RE: Request for Authorization to Reconvene the 2023 BOE Session

Per RCW 84.48.010, the Board of Equalization (also the county legislative authority in Pacific County), is required to request authorization from the county legislative authority to reconvene the current year's session (2023 Session) when the number of petitions exceeds 25 or 10 percent of the number of petitions filed in the preceding year, whichever is greater, after the 28-day regular session has ended.

Please be advised there were 113 petitions filed in the 2022 Session. Ten percent of this number equals 11.3, so the number of petitions filed in the 2023 Session must exceed 25 in order to meet the criteria listed above. I have received 113 petitions at this time. Therefore, I am requesting the Board to reconvene the 2023 Session of the Board of Equalization to allow me to proceed with hearings. The first hearing date is scheduled for October 25, 2023.

Attached for your signatures please find the Department of Revenue's standard form – Notice of Approval to Hear Property Tax Appeals.

Thank you for your continued support.

NOTICE OF APPROVAL TO HEAR PROPERTY TAX APPEALS
PACIFIC COUNTY LEGISLATIVE AUTHORITY

The county board of equalization, with the approval of the county legislative authority, may reconvene at any time when petitions filed exceed twenty-five, or ten percent of the number of appeals filed in the preceding year, whichever is greater. (RCW 84.48.010)

Pursuant to RCW 84.48.010, the Pacific County Legislative Authority hereby approves the Pacific County Board of Equalization's request to reconvene for the purpose of hearing appeals filed for the current year (2023 Session for Taxes Payable in 2024). This approval is based on the finding that the requirements for reconvening under RCW 84.48.010 have been satisfied.

DATED this 10th day of October, 2023.

Lisa Olsen, Chair

Jerry Doyle, Commissioner

David Tobin, Commissioner

ATTEST:

Amanda Bennett, Clerk of the Board



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

August 20, 2012

TO: All County Boards of Equalization

FROM: Diann Locke, Specialist
Levies and Appeals *Diann Locke*
Property Tax Division

**SUBJECT: RECONVENING BOARDS OF EQUALIZATION TO HEAR TIMELY
FILED APPEALS AND CLERK INFORMATION**

Authorization granted to continue hearing 2011 assessment appeals

The Department of Revenue (Department) is authorizing the boards of equalization (Boards) to continue holding hearings on any timely filed petitions that have not been resolved for the 2011 assessment year.

The Department's authority to reconvene Boards

The Department has the authority to reconvene the Boards at any time for the purpose of performing or completing any duty or taking any action the board might lawfully have performed or taken at any of its previous meetings (RCW 84.08.060). The Department has invoked this power yearly, authorizing Boards to continue holding hearings on any timely filed petitions after the regular 28-day session has ended.

The Department also must reconvene Boards when assessors or appellants provide market based information indicating the assessor overvalued the subject property by at least double, and grant the Boards authority to equalize assessed values outside of their regular 28-day session.

County legislative authority to reconvene boards of equalization

During our recent audits of Boards, it has come to our attention that some Boards are not aware of the statutory requirement to obtain approval from the county legislative authority (CLA) to continue hearings after the regular 28-day convened session has ended. (RCW 84.48.010 and WAC 458-14-046)

✱ Even though the Department has authorized Boards to continue meeting each year after the 28-day regular session, Boards should also notify the CLA when the number of petitions exceeds 25 or 10 percent of the number of appeals filed in the preceding year, whichever is greater, after the regular 28-day session has ended.

The Department suggests the Board write a letter to the CLA informing them of the status of appeals and request authorization to continue hearing such timely filed appeals. The letter should request acknowledgement from the CLA to continue processing timely filed appeals. The Department has an optional form available for the CLA to use, *REV 64 0049e, Notice of Approval to Hear Property Tax Appeals*, to reconvene Boards. A resolution from the CLA is not required.

Property Tax Division

P O Box 47471 ♦ Olympia, Washington 98504-7471 ♦ (360) 534-1400 ♦ Fax (360) 534-1380

All County Boards of Equalization
August 20, 2012
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List of Board clerks

Attached you will find a copy of our most current clerk contact list for your use. Please review your county's information and let me know if any corrections need to be made.

Please let me know if you have any questions related to reconvening or any other issues. You can reach me at (360) 534-1427 or diannl@dor.wa.gov.

DL:bl
Enclosure

PDF RCW 84.48.010

County board of equalization—Formation—Per diem—Meetings—Duties—Records—Correction of rolls—Extending taxes—Change in valuation, release or commutation of taxes by county legislative authority prohibited.

(1) Prior to July 15th, the county legislative authority must form a board for the equalization of the assessment of the property of the county. The members of the board must receive a per diem amount as set by the county legislative authority for each day of actual attendance of the meeting of the board of equalization to be paid out of the current expense fund of the county. However, when the county legislative authority constitutes the board they may only receive their compensation as members of the county legislative authority. The board of equalization must meet in open session for this purpose annually on the 15th day of July or within fourteen days of certification of the county assessment rolls, whichever is later, and, having each taken an oath fairly and impartially to perform their duties as members of such board, they must examine and compare the returns of the assessment of the property of the county and proceed to equalize the same, so that each tract or lot of real property and each article or class of personal property must be entered on the assessment list at its true and fair value, according to the measure of value used by the county assessor in such assessment year, which is presumed to be correct under RCW 84.40.0301, and subject to the following rules:

(a) They must raise the valuation of each tract or lot or item of real property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, after at least five days' notice must have been given in writing to the owner or agent.

(b) They must reduce the valuation of each tract or lot or item which is returned above its true and fair value to such price or sum as to be the true and fair value thereof.

(c) They must raise the valuation of each class of personal property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, and they must raise the aggregate value of the personal property of each individual whenever the aggregate value is less than the true valuation of the taxable personal property possessed by such individual, to such sum or amount as to be the true value thereof, after at least five days' notice must have been given in writing to the owner or agent thereof.

(d) They must reduce the valuation of each class of personal property enumerated on the detail and assessment list of the current year, which is returned above its true and fair value, to such price or sum as to be the true and fair value thereof; and they must reduce the aggregate valuation of the personal property of such individual who has been assessed at too large a sum to such sum or amount as was the true and fair value of the personal property.

(e) The board may review all claims for either real or personal property tax exemption as determined by the county assessor, and must consider any taxpayer appeals from the decision of the assessor thereon to determine (i) if the taxpayer is entitled to an exemption, and (ii) if so, the amount thereof.

(2) The board must notify the taxpayer and assessor of the board's decision within forty-five days of any hearing on the taxpayer's appeal of the assessor's valuation of real or personal property.

(3) The clerk of the board must keep an accurate journal or record of the proceedings and orders of the board showing the facts and evidence upon which their action is based, and the record must be published the same as other proceedings of county legislative authority, and must make a true record of the changes of the descriptions and assessed values ordered by the county board of equalization. The assessor must correct the real and personal assessment rolls in accordance with the changes made by the county board of equalization.

(4) The county board of equalization must meet on the 15th day of July or within fourteen days of certification of the county assessment rolls, whichever is later, and may continue in session and adjourn from time to time during a period not to exceed four weeks, but must remain in session not less than three days. However, the county board of equalization with the approval of the county legislative authority may convene at any time when petitions filed exceed twenty-five, or ten percent of the number of appeals filed in the preceding year, whichever is greater.

(5) No taxes, except special taxes, may be extended upon the tax rolls until the property valuations are equalized by the department of revenue for the purpose of raising the state revenue.

(6) County legislative authorities as such have at no time any authority to change the valuation of the property of any person or to release or commute in whole or in part the taxes due on the property of any person.

[2017 c 155 § 1; 2001 c 187 § 22; 1997 c 3 § 109 (Referendum Bill No. 47, approved November 4, 1997); 1988 c 222 § 20; 1979 c 13 § 1. Prior: 1977 ex.s. c 290 § 2; 1977 c 33 § 1; 1970 ex.s. c 55 § 2; 1961 c 15 § 84.48.010; prior: 1939 c 206 § 35; 1925 ex.s. c 130 § 68; RRS § 11220; prior: 1915 c 122 § 1; 1907 c 129 § 1; 1897 c 71 § 58; 1893 c 124 § 59; 1890 p 555 § 73; Code 1881 §§ 2873-2879. Formerly RCW 84.48.010, 84.48.020, 84.48.030, 84.48.040, and 84.48.060.]

NOTES:

Contingent effective date—2001 c 187: See note following RCW 84.70.010.

Application—2001 c 187: See note following RCW 84.40.020.

Application—Severability—Part headings not law—Referral to electorate—1997 c 3: See notes following RCW 84.40.030.

Effective date—1988 c 222: See note following RCW 84.40.040.

Effective date—1970 ex.s. c 55: See note following RCW 84.36.050.

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PDF WAC 458-14-046

Regularly convened session—Board duties—Presumption.

(1) **Introduction.** This rule explains the process described in RCW 84.48.010, requiring the boards of equalization (board) to meet annually for its regularly convened session.

(2) **Other rules to reference.** Readers may want to refer to other rules for additional information, including:

- (a) WAC 458-14-015 Jurisdiction of county boards of equalization.
- (b) WAC 458-14-025 Assessment roll adjustments not requiring board action.
- (c) WAC 458-14-026 Assessment roll corrections agreed to by taxpayer.
- (d) WAC 458-14-076 Hearings on petitions—Withdrawal.

(3) **Definitions.** The definitions found in WAC 458-14-005 apply to this rule.

(4) **Examples.** This rule includes examples that identify a set of facts and then state a conclusion. These examples should only be used as a general guide. The department will evaluate each case on its particular facts and circumstances.

(5) **Regularly convened session.**

(a) The board must meet in open session for the purpose of equalizing property values in the county and to hear taxpayer appeals. The board must meet annually, on the later of:

- (i) July 15th;
- (ii) The first business day following July 15th when it occurs on a Saturday, Sunday, or holiday; or
- (iii) Within fourteen days of the assessor certifying the county assessment roll to the board.

(b) The board must meet for a minimum of three days during their regular convened twenty-eight day session.

(c) With the approval of the county legislative authority, the board may convene at any time if the number of taxpayer petitions filed exceeds twenty-five, or ten percent of the number of petitions filed in the preceding year, whichever is greater.

(d) The board has the authority, on its own initiative, to equalize property values during its regularly convened session.

(e) At its regularly convened session, the board must adjust the current assessment year's value of property, both real and personal, to its true and fair value, but only if the board finds that the assessed value is not correct based upon:

- (i) Information available to the board and/or the board's own examination and comparison of the assessment roll; or
 - (ii) A request by the assessor, together with necessary valuation information, for correction of an error which correction requires appraisal judgment.
- (f) The board must hold hearings on properly and timely filed taxpayer petitions.
- (g) The board must consider any taxpayer appeals from an assessor's decision with respect to a tax exemption of real or personal property, and determine:
- (i) If the taxpayer is entitled to the tax exemption; and
 - (ii) If so, the amount of the tax exemption.

(h) At the conclusion of a board's regularly convened session, it must provide the department with its adjournment date. The adjournment date assists the department in determining whether a board is eligible to reconvene.

(6) **Presumption of correctness.** The assessor's valuation as certified to the board of equalization under RCW 84.40.320 is presumed correct, except with respect to subsection (5)(e)(ii) of this rule. The taxpayer may overcome the presumption of correctness in favor of the assessor's valuation as follows:

(a) If a taxpayer shows by clear, cogent, and convincing evidence that the assessor's overall approach to valuation, or the assessor's valuation method, is flawed or invalid, then the presumption of correctness does not apply. For example, the taxpayer may be able to prove that the assessor failed to deduct any amount for depreciation when using the cost approach to value on an existing improvement. In such a case, the taxpayer only needs to prove the correct value of the property by a preponderance of the evidence.

(b) If a taxpayer shows by clear, cogent, and convincing evidence that a specific value within an overall assessed value is incorrect, then the standard of proof shifts to a preponderance of the evidence for all contested issues related to that specific value. For example, the overall assessment of complex industrial properties is often made up of particular values for portions of the property being appraised. An assessor's error on one value decision does not necessarily invalidate the entire property's assessment, and the presumption of correctness in favor of the assessor remains with respect to the remainder of the property.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.36.389, 84.52.0502, and 84.55.060. WSR 18-04-006, § 458-14-046, filed 1/25/18, effective 2/25/18. Statutory Authority: RCW 84.08.010, 84.08.070, and 84.48.200. WSR 06-13-034, § 458-14-046, filed 6/14/06, effective 7/15/06; WSR 90-23-097, § 458-14-046, filed 11/21/90, effective 12/22/90.]

AY 2023 FOR 2024 TAXES

BOARD OF EQUALIZATION

PRESENTATION

SUBMITTED BY

Connie Williams
Chief Appraiser
Pacific County Assessor's Office

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AY 2023 FOR 2024 TAXES

It is the intent of the Assessor's office to have accurate information on record for each property and to generate fair and equitable values.

Washington State requires assessed values to be at 100% of market value. Sale prices are compared to assessed values using a ratio of assessed value divided by sale price to determine the level of assessment. Sales are arrayed and measures of central tendency are used in determining whether assessed values need to be adjusted based on the current level of assessment. As an example, a ratio of 85% would indicate a market multiplier would be needed to increase the assessed value. Likewise, a ratio of 115% would indicate a negative market multiplier would be needed to reduce the assessed value. Once the amount of adjustment, if any, is determined, then the market adjustments are applied to the properties. An entire neighborhood or certain types of property within a neighborhood are adjusted depending on what is reflected in the sales ratio analysis. The *assessed value vs. sale price ratio* analysis determines how the assessed values are adjusted overall.

Prior to the valuation updates, the average ratio for each appraisal zone was about 80%. After the adjustments were made, the average ratio for each appraisal zone was about 95% (see graph on Summary by Zone).

Pacific County, along with the entire state of Washington, is on an *annual revaluation cycle*. An annual revaluation cycle means all assessed values countywide are reviewed and potentially adjusted each year. Pacific county is divided into six geographical zones (see Zone Map). On an annual revaluation cycle, one zone is physically inspected each year while the other five zones are updated statistically using sales ratio analysis. Each zone is divided into multiple neighborhoods. A neighborhood is a market area and not necessarily a geographic area. There are multiple types of properties within a neighborhood, which might include single-family

residence, undeveloped land, multi-family residence, commercial property etc. An annual revaluation cycle results in the revaluation of all properties every year.

During the inspection cycle, properties are physically inspected to check for any changes that might have occurred over the past 6 years since the last inspection. During the inspection, properties are also reviewed for quality, condition and characteristics. New photos are taken and any changes are noted. The appraiser generally knocks on the door and talks to the owner, if possible. She will let them know why she is there and what the inspection will include. She will also ask questions regarding the property as needed. The inspection generally takes only a few minutes unless there are significant changes since the last inspection.

Zone 1 was the physical inspection area for this cycle. Zone 1 includes most properties north of Joe Johns Road including the Surfside Estates area. There is a mix of high end and lower end properties. Development cost have increased significantly over the past few years and include clearing, leveling, septic or sewer, power and water installment. It can be difficult to capture that value because each parcel is so different. The assessor's office staff gets actual cost information from contractors, property owners and utility districts and then uses those cost figures to calibrate a general development cost to use for valuation purposes. Zone 1 development costs for a fully developed lot ranged from \$35,000 to \$52,500.

The Assessor's office tries to help property owners understand the process. It is generally the amount of taxes due, or believed likely would be due, that drives property owners to file a petition to appeal the assessed value. Most property owners don't understand that taxes do not generally go up or down at the same rate as the assessed value. Property owners often state "but I haven't done anything to it" or "it's only a manufactured home, it can't go up in value". Explaining that as the market changes so will the assessed values even when there is no physical change to the property and that the previous year's sales determine changes in

assessed value whether increasing, decreasing or staying flat helps the property owner understand the process.

The appeal process can be very time consuming for all parties and very intimidating for the property owner. It's beneficial to everyone if issues can be resolved prior to going through the appeal process. During the 30-day appeal window, the Assessor's office tries to talk to owners who plan to appeal to help them understand how the process works. By having a conversation with the owner, any needed corrections can be made before the property goes through the appeal process. Talking to the property owner helps the Assessor correct any errors as well as gives the property owner a better understanding of the assessment process. Property owners understanding the assessment process often results in fewer appeals.

Once the assessor's office receives a copy of an appeal petition, an appraiser reviews the petition and contacts the petitioner. After reviewing the information with the appraiser and learning how the process works, some petitioners will withdraw their petition. After reviewing with the owner, the appraiser will make any needed corrections to the property record and/or assessed value through the stipulation process. There are approximately 100 appeals for the current assessment cycle. Of the 100 appeals, 27 have been or are pending withdraw and 46 have been or are pending stipulation. Communication with the petitioner is very time consuming however, it is beneficial for both parties.

Washington State Department of Revenue (DOR) performs a *Real Property Ratio Study* annually to determine the level of assessment for each county. The 2023 Real Property Ratio is 95%. Ratios are considered to be 'conforming' when they are between 90%-110% per International Association of Assessing Officers (IAAO) standards. DOR uses sales from May 1 through April 30 for the Real Property Ratio Study. The Assessor is required to use sales from January 1 through December 31. This leaves all of January through April, four months past the assessment date, for sales to close that are not included in the Assessor's annual update. DOR

also performs a *Valid Sales Study* report every three years to compare the level of assessment on properties that have not sold to properties that have sold to determine if they are being similarly assessed. That study also includes analysis of how different types of property and different assessment levels relate to each other. The results of Valid Sales Study reports show Pacific County meets or exceeds all IAAO standards.

It is the goal of the Assessor's office to have fair and equitable assessments. DOR reports show that the Assessor's office is meeting its goal.

AY2023 FOR 2024 TAXES

These are very generalized statements and there are property increases outside these ranges.

Zone 1 – Area North of Joe Johns Road, including Surfside, all south county condos.

This was the physical inspection area. Values go up and down based what is noted during the physical inspection including corrections to property characteristics, condition changes, new construction etc. The increases and decreases can vary greatly in the physical inspection zone as most property hasn't had an inspection for 6 years.

Zone 2 – Area between Joe Johns Road and Cranberry Road, between Sandridge Road and Hwy 103.

Generally, increases were about 15%-25% with higher increases in some areas of upwards of 50% for undeveloped land. Commercial properties in this area increased about 20%.

Zone 3 – Long Beach, Seaview, and the West side of Hwy 103 from Joe Johns Road down through Willows Road.

Generally, increases were about 10%-25% with higher increases in some areas for undeveloped land. Commercial properties stayed stable.

Zone 4 – Ilwaco, Chinook, Long Beach area outside City Limits, and East of Sandridge Road up through Oysterville.

Generally, increases were around 10%-30% depending on area and type of property. Commercial properties increased approximately 15%.

Zone 5 – East and middle of the county outside city limits of Raymond, South Bend, also Valley, Brooklyn/Smith Creek, Bay Center down through Naselle area .

Generally, increases were about 10%-40% depending on type of property and location. Lower end properties showed larger increases overall. Commercial properties stayed stable.

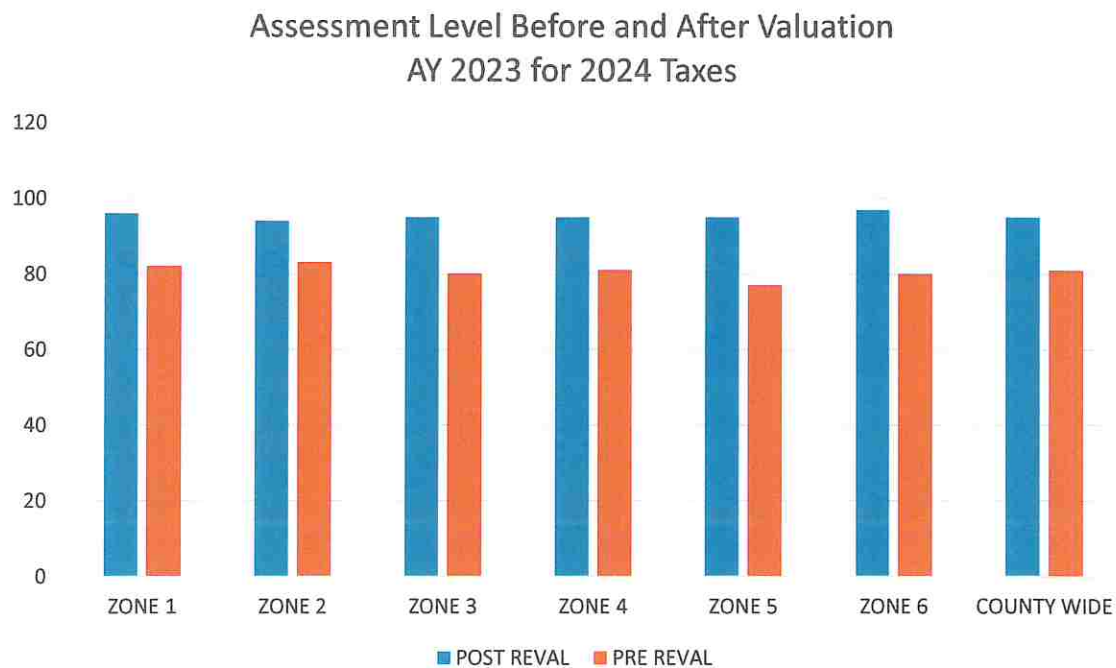
Zone 6 – Raymond and South Bend (inside city limits), Tokeland, Grayland areas.

Generally, properties increased about 5%-30% depending on area and type of property. Commercial properties stayed stable except for multi-family units which increased about 35%.

NOTEABLE: The washaway area near Grayland has been valued very low for many years due to the erosion issues. Over the past couple of years, people believe the erosion has slowed enough that they are purchasing property in what is considered the 'red zone' and previously

coded 'red zone' area. The sales in that area have increased in number and in price and are similar to sales outside the 'red zone'. The assessed values increased greatly in those areas last year and have gone up additionally this year between approximately 20%-30% similarly to other areas.

This graph shows the level of assessment (ratio) for each zone before and after revaluation.





STATE OF WASHINGTON
DEPARTMENT OF REVENUE

September 20, 2023

The Honorable Bruce Walker
Pacific County Assessor
Post Office Box 86
South Bend, Washington 98586-0086

Final Real Property Ratio

Dear Mr. Walker:

As provided for in RCW 84.48.075(3), the Department of Revenue hereby certifies the 2023 real property ratio for your county as 95.0 percent.

Should you need any information other than that which was previously supplied, please let me know.

Sincerely,

Mary Burket
Ratio Specialist
Property Tax Division

PACIFIC COUNTY COMPARABLE SALES REPORT

SUBJECT

Parcel # 73026010003
 Owner MCDOWELL FAMILY LLC
 Address 3812 K PL
 Land Size 0.11
 Deed # #N/A
 Assess Date 1/1/2020
 Assessed Value \$313,100
 Parcels 1
 Year Built 1997
 Style/Class Two Story
 Sq Ft 1848
 Bsmt
 Quality Average+
 Condition Good
 Garage Attached Garage (SF) 300
 Sale Ratio
 Price per SQ.FT. \$169.43

Comments



SALE 1

Parcel # 73026025006
 Owner JUDD, TRAVIS J & AMANDA M
 Address 4607 K PL
 Land Size 0.11
 Deed # 3186168
 Sale Date 4/24/2019
 Sale Price \$309,900
 Parcels in Sale 1
 Year Built 1983
 Style/Class Two Story
 Sq Ft 1664
 Bsmt
 Quality Average +
 Condition Average
 Garage
 Sale Ratio 89.20%
 Price per SQ.FT. \$186.24

Comments Inferior in size, age and condition than subject.



SALE 2

Parcel # 73026035003
 Owner YOUNG, DONALD C & JANICE J
 Address 1902 OCEAN BCH BLVD S
 Land Size 0.11
 Deed # 3187021
 Sale Date 6/8/2019
 Sale Price \$289,000
 Parcels in Sale 1
 Year Built 2009
 Style/Class 1 1/2 Story Finished
 Sq Ft 1568
 Bsmt
 Quality Average
 Condition Average
 Garage Detached Garage (SF) 308
 Sale Ratio 91.90%
 Price per SQ.FT. \$184.31

Comments Inferior in size, quality and condition than subject. Newer than subject.



Zone Map

