



Whatcom County Assessor's Office

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Whatcom County Assessor

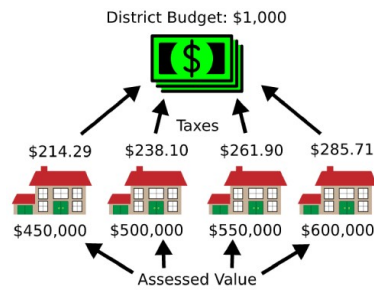
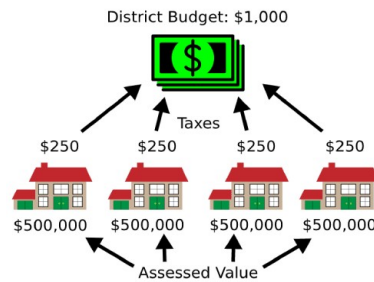
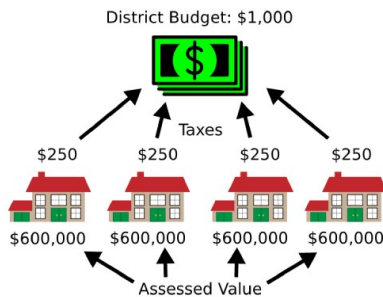
Functions of the Assessor's Office

- ▶ All work defined in RCWs and WACs, with guidance and oversight provided by the Dept of Revenue.
- ▶ Value property for taxation purposes, at 100% of its true and fair value, RCW 84.40.030
 - ▷ No policy decisions to be made by the Assessor, regarding assessed values
- ▶ Maintain a listing and description of property accounts, maps, and ownership
- ▶ Provide public information and assistance

- ▶ Does NOT:
 - ▷ Set or determine property tax policy
 - ▷ Raise assessed values to raise money or taxes
 - ▷ Determine how much money taxing districts need

Budget Based Levies

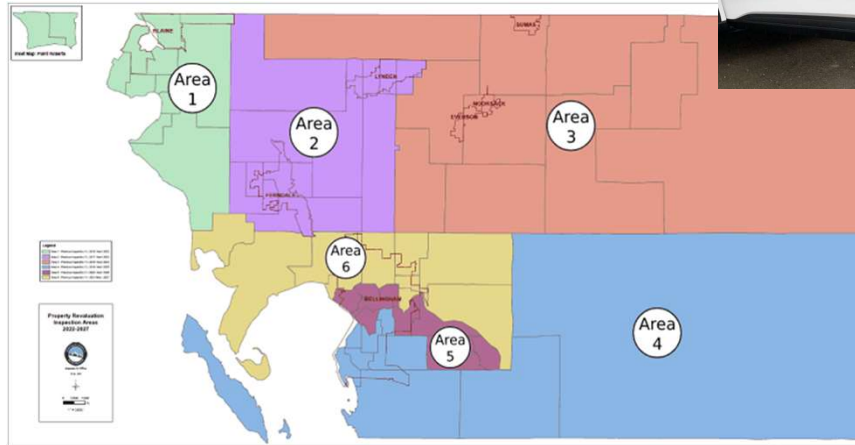
- ▶ Each taxing district sets their budget
- ▶ Budget increases limited by law, 1%
- ▶ Assessed values meaningful to property tax only as a percentage of the whole value of the district



Assessed Values

- ▶ RCW 84.40.030 requires all property to be valued at 100% market value
- ▶ WAC 458-07-010 requires all property be revalued every year
 - ▷ To achieve this, the county is divided into 6 areas
 - ▷ Every year 1/6th of the county is inspected, property information updated, and values set on an individual basis
 - ▷ The remaining 5/6th of the county is given a statistical update
 - ▷ New construction is inspected every year throughout the county, as of July 31
 - ▷ 2023: Inspections occurred in Ferndale, Lynden and the unincorporated areas between them.
 - ▷ 2024: Inspections will be Everson, Nooksack, Sumas, Maple Falls, Glacier, northeast county areas.

Inspection Areas



Department of Revenue oversight

- ▶ Received a letter from Dept of Revenue regarding Whatcom County's Low Real Property Ratio
- ▶ Ratios are sale prices to assessed value percentages
- ▶ IAAO (International Association of Assessing Officers) recommends median ratios between 90 to 110%
- ▶ DOR has a new focus on counties with ratios under 90%
- ▶ Whatcom is one of several counties who have been below 90% for many years

Statistical update process

- ▶ 5/6th of the county is revalued every year using statistical analysis
- ▶ Sales are analyzed by market area to see how far off the assessed value was from the sale price
- ▶ Once median percentages are calculated, an adjustment is made to all similar properties in that area
- ▶ Changes in assessed value don't necessarily follow market changes
- ▶ Changes in assessed value follow analysis of sales in the prior year
- ▶ Statistical update increases will primarily range from 15-30%, with some outlier areas

Legislative Changes - SHB 1355

- ▶ Changes to the qualifying income levels for property tax exemption and deferral programs for senior citizens, persons with disabilities, and disabled veterans
- ▶ Will cause significant increase in workload for the office

| Years | Income Threshold 1 | Income Threshold 2 | Income Threshold 3 | Deferral Threshold |
|------------------|--------------------|--------------------|--------------------|--------------------|
| 2020-2023 | \$30,000 | \$35,575 | \$42,043 | \$48,511 |
| 2024-2026 | \$37,000 | \$44,000 | \$52,000 | \$54,779 |

Petrogas Appeals

- ▶ Petrogas has appealed their assessed values every year since 2016.
- ▶ Values for 2016, 2017 & 2018 were combined by the Board of Tax Appeals. In 2021, the BTA ruled in our favor for 2017 and 2018 and reduced the 2016 value.
- ▶ Petrogas appealed that decision to the Court of Appeals, which upheld the BTA decision in 2022.
- ▶ Petrogas then appealed to the Supreme Court, who denied their request for review on 7/12/2023.
- ▶ There are no additional appeal options. Values have been changed and sent to the Treasurer's office for bill processing.
- ▶ Back tax plus interest will be over \$8.2M, which includes approx. \$2.5M in interest to the County's general fund.
- ▶ There are still appeals for years 2019-2022 pending

Appeals, Board of Equalization

- ▶ BOE under the Council office
- ▶ This year (2022 values) we had 545 appeals to the BOE
 - ▶ 2021 had 265 petitions, and 2020 had 270 petitions
- ▶ Assessor is not legally required to reply in writing or to attend hearings, however historically we have as a courtesy to the property owner
- ▶ Per statute, the Assessor has the presumption of correctness. The property owner is required to prove that our value is incorrect
- ▶ The BOE members are council-appointed citizens who may have limited knowledge about property valuation
- ▶ When values are reduced without adequate support, there is a tax shift to other properties.

Upcoming Budget Requests

- ▶ Due to the significant workload of property value appeals and the changes to SHB 1355, my office is in desperate need of additional staffing.
- ▶ As our work on the Petrogas appeal has gained the county approx. \$2.5M to the general fund, and there is the anticipation of more, we have demonstrated the need to have staffing to support property value appeals.

Tax Exemptions = Tax Shifts

- ▶ A tax exemption is a tax shift from one property owner to other property owners
- ▶ Consistency, uniformity, and fairness are key in equitable valuation
- ▶ Prior inconsistencies are being corrected, and uniform methodology being applied to valuation
- ▶ The greatest impact of these changes will be some properties in the Open Space Farm and Agriculture Land program
- ▶ For many years, some properties have received a greater reduction in taxable value than other properties
- ▶ Corrections are being made during the inspection years, and will impact approx. 600 properties this year

Website & Online Information

- ▶ Interactive tax parcel viewer
- ▶ Links to additional Dept of Revenue publications & site:
 - ▶ DOR's Homeowner's Guide to Property Tax
 - ▶ DOR's Homeowner's Guide to Mass Appraisal
 - ▶ Property Tax- How the 1% Property Tax Levy Limit Works
- ▶ Previously added pages on:
 - ▷ Understanding assessed value
 - ▷ How levies and assessed value are connected to property tax
 - ▷ Reading a change of value notice
 - ▷ Appealing property value
 - ▷ List and contact information for each taxing district

Questions?