

# HOUSE BILL REPORT

## HB 2440

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**As Passed House:**

February 13, 2024

**Title:** An act relating to the administration of the board of tax appeals.

**Brief Description:** Concerning the administration of the board of tax appeals.

**Sponsors:** Representative Springer; by request of Board of Tax Appeals.

**Brief History:**

**Committee Activity:**

Finance: 1/30/24, 2/5/24 [DP].

**Floor Activity:**

Passed House: 2/13/24, 65-32.

**Brief Summary of Bill**

- Allows a nonattorney with valuation experience as an accredited appraiser to qualify as a member of the Board of Tax Appeals (BTA).
- Changes "tax referee" to "tax appeals officer."
- Allows the Governor to set the salary of BTA members.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 9 members: Representatives Berg, Chair; Street, Vice Chair; Barnard, Chopp, Ramel, Santos, Springer, Thai and Wylie.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Wilcox.

**Staff:** Tracey Taylor (786-7152).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

The Board of Tax Appeals (BTA) is a full-time administrative tax court that adjudicates tax-related appeals. The BTA is made up of three board members who are appointed by the Governor, with the consent of the Senate. Each board member serves a six-year term. Board members qualify based on their training and experience in state and local tax matters. At the time of appointment, no more than two of the three board members may be members of the same political party. Appointments of BTA board members must ensure that at least two of the BTA members are attorneys licensed to practice law in Washington and possess substantial knowledge of Washington tax laws. In addition, one attorney board member must have substantial experience in developing a record suitable for judicial review. Any nonattorney board member must have substantial experience in residential and commercial appraisals.

The BTA also includes three tax referees who hear and decide tax matters, and five supporting staff, including an executive director.

Each BTA board member must attend at least 20 hours of judicial training, including Washington law, evidentiary procedures, and judicial practice and ethics. Board members will receive an annual salary equal to members of class four boards. The BTA must operate on a full-time basis, and each board member must devote his or her full time and efforts in the discharge of his or her duties. The board members may delegate administrative powers to the executive director. The BTA may conduct business when one board position is vacant.

The BTA hears tax appeals from decisions of the County Board of Equalization and the Department of Revenue (DOR). The most common types of appeals are property tax valuations, property tax exemptions, assessed value direct appeals, and excise tax appeals. Most appeals must be filed within 30 days of the mailing date of the decision or determination being appealed. The BTA has no authority to accept an appeal filed after the deadline.

An appeal can be informal or formal. A decision on an informal appeal may not be appealed to superior court, but a party may challenge the BTA on its initial decision or may ask the BTA to reconsider a ruling. A final decision on a formal appeal may be appealed to superior court.

**Summary of Bill:**

A nonattorney member of the BTA may have valuation experience as an appraiser accredited by the DOR.

The title "tax referee" is changed to "tax appeals officer." A tax appeals officer may be designated by the chair to serve pro tem when a position on the BTA is vacant, or a BTA

member is recused, is disqualified, or otherwise cannot hear and consider a particular case set for full board review.

The Governor will set the salaries of the BTA members.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This is agency request legislation that will help fill appointments to the BTA. Most of the appeals are heard by a single BTA member; however, complex cases can involve the entire BTA. This bill would allow a tax appeals officer serve as a pro tem BTA member in the event there is a vacancy on the BTA or a member is unavailable to sit on the BTA for the case. About 30 percent of the cases appealed to the BTA are from homeowners, but the majority are complex commercial valuations. This bill will help the BTA run efficiently.

(Opposed) None.

**Persons Testifying:** Representative Larry Springer, prime sponsor; and Claire Hesselholt, Board of Tax Appeals.

**Persons Signed In To Testify But Not Testifying:** None.