

## Wyoming Administrative Rules

# Equalization, Board of

## General Agency, Board or Commission Rules

### Chapter 6: Statements of Consideration

**Effective Date:** 02/02/2021 to Current

**Rule Type:** Current Rules & Regulations

**Reference Number:** 211.0001.6.02022021

## Chapter 6

### STATEMENTS OF CONSIDERATION

**Section 1. Authority.** These rules are promulgated under authority of Wyoming Statutes 16-3-103, 39-11-102.1 and 34-1-142.

**Section 2. Purpose.** These rules are intended to implement W.S. 34-1-142, and establish uniform procedures for processing information disclosed in a statement of consideration (SOC).

#### **Section 3. Definitions.**

(a) As used in this chapter:

(i) “Like use” means property of the same type, i.e. single family residence, condominium, townhouse, duplex, triplex, or outbuilding.

(ii) “Geographic area” may include any area requested by the property owner or his agent within the boundaries of the county in which the subject property is located.

(iii) “Available to the county assessor” means those SOC’s that the assessor is required to retain pursuant to Section 3(b) of this chapter.

(iv) “Review” means visually inspect any requested SOC in the office of the county assessor or at a reasonable location selected by the county assessor. Actual copies of any SOC would be available through the discovery process in a contested case hearing before a County Board of Equalization subject to a non-disclosure agreement notifying the taxpayer of the confidentiality requirements and possible penalties for disclosure.

(v) “Department” means the Wyoming Department of Revenue.

#### **Section 4. Approved Form; Retention.**

(a) The SOC form approved by the Wyoming State Board of Equalization (Board), or a computer-generated emulation in the same format containing the same information, is adopted as the prescribed form to implement W.S. 34-1-142, and is incorporated herein by reference.

(b) Assessors shall retain copies of the SOC’s, excluding those for which exemptions were granted, for three years. SOC’s for which exemptions were granted may be destroyed at any time pursuant to assessor office policy.

#### **Section 5. County Assessor Responsibilities-Verification.**

(a) Each county assessor shall:

(i) Review and confirm, as necessary, all data on each SOC. The information on the SOC shall be confirmed or verified by contacting buyers, sellers or others if:

- (A) There is reason to believe the data on the SOC is not complete or accurate;
- (B) The property sold is of a less common type;
- (C) The sale price is significantly higher or lower than the assessor's current valuation;
- (D) The sale is part of a sample of single-family sales that are routinely confirmed by audit or exception; or
- (E) Other considerations make the sale significant for analysis.

(ii) If appropriate, adjust sales information for financing, personal property, time of sale, and corrections obtained through verification. Assessors shall not adjust sales price for real estate commissions, closing costs, title insurance or property taxes, unless the buyer agrees to pay all the commission or all the taxes, in which case the amounts of the payments shall be added to the sales price.

(iii) Complete the information within the box on the SOC entitled "FOR USE BY COUNTY ASSESSOR ONLY." Sales that are determined to be invalid shall be identified by circling the appropriate CAMA invalidation code.

The assessor shall preserve all documentation supporting invalidation of the SOC.

#### **Section 6. County Assessor Responsibilities - Data Input.**

- (a) Every sale that is not exempt shall be entered into CAMA.
- (b) The source of the verification of the sales information on the SOC shall be identified at a minimum in CAMA as:
  - (i) Confirmed with the buyer;
  - (ii) Confirmed with the seller;
  - (iii) Confirmed with the agent; or
  - (iv) Information on the SOC was deemed accurate and was not confirmed.
- (c) All sales shall be identified as valid or invalid.

(d) Invalid sales shall be identified by the most appropriate “reason to exclude” as follows:

(i) The sale involves additional parcels, trades or common property, including:

(A) Additional parcels (where two or more parcels are sold and the value of the individual parcels cannot be ascertained);

(B) Trades (where the value of the traded properties cannot be ascertained); or

(C) Incomplete or unbuilt common property, if the sale suggests the price is influenced by promises to complete common elements at some later date.

(ii) The sale was not exposed to the open market, or the marketing time for the property could not be considered normal.

(iii) The physical characteristics of the property have changed or are incorrect:

(A) The physical characteristics (which influence value) changed after the sale; or

(B) The property characteristics (which influence value) do not match the characteristics of the property on January 1 of the assessment year.

(iv) A sale between related individuals or corporate affiliates.

(v) A liquidation or forced sale including:

(A) Sales involving courts, government agencies and public utilities, if such sales suggest an element of compulsion or a desire to convey surplus property;

(B) Sales in which a financial institution as a lienholder is the buyer, unless invalidating such sales results in an inadequate sample, or if such sales constitute a major portion of the market (as in depressed areas). If such sales are used, adjustments shall be considered for any differences in price from conventionally financed sales;

(C) Sales settling an estate, if the sales suggest an element of compulsion (such as satisfying the decedent’s debts);

(D) Forced sales, including those resulting from a judicial order where the seller is usually a sheriff, receiver or other court officer; or

(E) Transfers between former spouses as part of a divorce proceeding.

(vi) The sale involved abnormal financing, land contracts, or was a sale of convenience, of doubtful title, or of partial interests, such as:

(A) Sales involving abnormal financing (such as terms which are not normal in the market and cannot be adjusted to reflect current market);

(B) Sales involving land contracts, unless sufficient information is available for reasonable adjustments for time and financing;

(C) Sales of convenience, which may be intended to correct defects in a title or serve some similar purpose;

(D) Sales of doubtful title; or

(E) Sales involving partial interests, unless it may be reasonably assumed from several concurrent sales that the sum of the partial interests fairly indicates the sale price of the total property.

(vii) The sale involved excessive personal property, or any other situation that makes the sale not an “arm’s-length” transaction, and for which supporting documentation is developed. Other situations may include:

(A) When objective circumstances suggest either the buyer or seller or both were not well informed;

(B) When data for the sale is incomplete and unverifiable; or

(C) For sales involving charitable, religious or educational institutions, if such sales suggest an element of philanthropy or restrictive covenants.

(viii) The sale involved agricultural property valued on productivity.

(ix) The sale was not an “arm’s-length” transaction. An explanation shall be made in the sales notes.

**Section 7. Statement Processing.** The Board may ask the Department to assist the Board in confirming a sample of sales within each county to ensure sales processing, validation, and adjustment procedures are understood and followed uniformly.

**Section 8. Exemption Requests.** Any person requesting an exemption pursuant to W.S. 34-1-142(c)(viii) shall submit to the Board and Department, in writing, sufficient details concerning the transaction to enable the Board to determine whether sales-related information would be useful or relevant in determining sales-price ratios. A joint written Board and Department decision on the exemption request shall be issued and distributed to each county clerk and county assessor. The decision will also be posted on the Board website. The decision shall constitute final agency action subject to review by the appropriate district court.

**Section 9. Disclosure of Statements.** Any person, or his agent, who, within the period set forth by W.S. 39-13-109(b)(i), either has an initial meeting with the county assessor's office or contests his property tax assessment, is entitled to review the SOC's for properties of like use and geographic area available to the county assessor in determining the value of the property at issue as provided under W.S. 39-13-109(b)(i).