

STRATEGIC PLAN OF THE STATE BOARD OF EQUALIZATION

For the Period
July 1, 2014 through June 30, 2016



Submitted
July 19, 2013

STEVEN D. OLMSTEAD, Chairman
PAUL THOMAS GLAUSE, Vice Chairman
E. JAYNE MOCKLER, Board Member

STATE BOARD OF EQUALIZATION
STRATEGIC PLAN

July 19, 2013

QUALITY OF LIFE RESULT

Wyoming state government is a responsible steward of State assets and effectively responds to the needs of residents and guests.

AGENCY

State Board of Equalization

CONTRIBUTION TO WYOMING QUALITY OF LIFE

The Board contributes to the Wyoming quality of life by providing a fair, unbiased, and efficient forum for taxpayer disputes with the Department of Revenue, and appeals from county boards of equalization. The Board also assures all property in each county in Wyoming is valued uniformly and equally by county assessors, consistent with established laws, rules and standards. The Board annually verifies, and corrects if necessary, all local and state mill levies.

BASIC FACTS

Article 15, § 9 of the Wyoming Constitution established the State Board of Equalization. Under Article 15, § 10 of the Wyoming Constitution, the Board's duties are to equalize valuation on all property in Wyoming counties, and to perform other duties prescribed by law. The general duties and authorities of the Board are prescribed in Wyoming Statutes Annotated, § 39-11-102.1.

In practice, the majority of the Board's time is devoted to hearing disputes between taxpayers and the Department of Revenue, and reviewing appeals from decisions of county boards of equalization which adjudicate disputes between taxpayers and county assessors. The Board holds hearings in accordance with the Wyoming Administrative Procedures Act and issues written decisions in all cases.

The Governor appoints three Board members for six-year terms, subject to confirmation by the Senate. The terms are staggered at two-year intervals. The Board has six employees, including its members. The three positions of the Board staff are Executive Secretary-Attorney, Senior Statistician, and Executive Assistant.

The 2013-2014 Supplemental Biennium Budget for the Board is \$1,703,562.00.

The primary functions of the Board are (1) to adjudicate disputes challenging decisions of the Department of Revenue or a county board of equalization, and (2) to equalize valuation on all property in Wyoming counties.

1. Appeals

Although an administrative agency, the Board functions much like a court. Its workload depends principally on conflicts arising outside the agency, and its ability to dispose of pending matters is constrained by established procedures and the actions of the parties before it. However, the Board is different from a court in that appeals arise from state and local tax and valuation decisions which recur on an annual basis.

2. Equalization

The Board discharges its duty to equalize valuation of locally assessed property in Wyoming counties through an annual process. The Board reviews and evaluates abstracts of property valuations submitted by the county assessor in each county for

uniformity by employing recognized statistical principles established and incorporated in the Board's Rules. The Board's authority to address errors ranges from consulting with county assessors on possible changes to work practices, to directing county assessors to modify property tax valuations. The Board encourages county assessors to recognize and utilize best work practices in valuation of property. In the Board's experience, statistical anomalies which surface during the annual evaluations often arise from conditions, such as rapid local growth, which do not warrant changes in the work practices of county assessors. After the abstracts are approved, the Board certifies the mill levy for each county.

The majority of the Board's time is devoted to hearing disputes between taxpayers and the Department of Revenue, and reviewing appeals from decisions of county boards of equalization which adjudicate disputes between taxpayers and county assessors. However, during the summer months the Board's equalization function is given priority over other duties.

PERFORMANCE MEASURE # 1

Appeals: The Board provides a fair, unbiased and efficient forum for resolution of taxpayer disputes with the Department of Revenue, and for resolution of appeals from county boards of equalization.

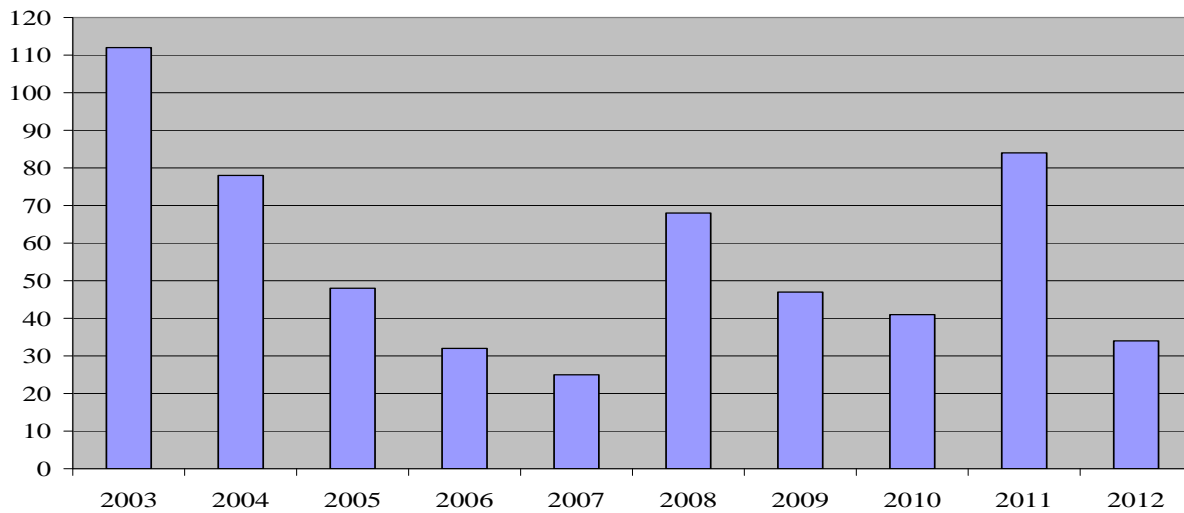
Cases may be broadly categorized into four areas: Mineral Valuation, Sales and Use Tax, County Board appeals and Other. The Other category includes State Assessed Property cases, Take-in-Kind cases, Mineral Penalty cases and miscellaneous matters, such as, Requests for Examination. Also, the Board recently had a case from a Department of Revenue decision regarding a refund from the Public Service Commission.

Trial-type hearings held as a result of appeals from decisions of the Department of Revenue may vary in duration from one day to three weeks. The time consumed in

preparation by the Board of a written final decision depends on the complexity of the issues of fact and law.

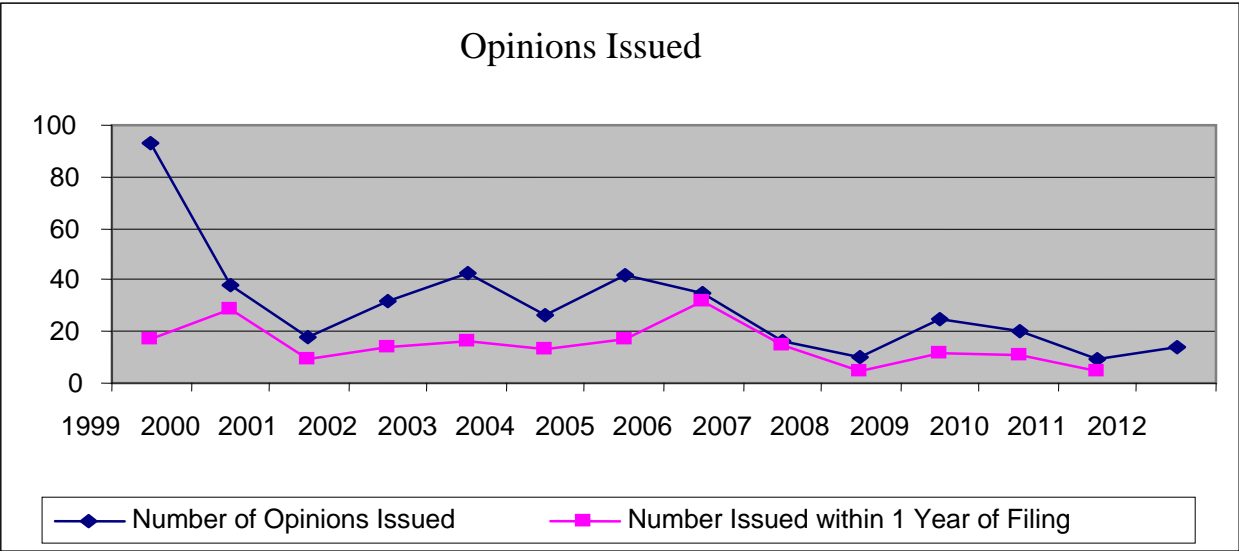
Appeals from county boards of equalization rarely oblige the Board to take evidence, and are usually decided after briefing by the parties. Parties may request oral argument at their option. The time consumed in preparation of written decisions depends on the volume and complexity of the factual record made before the county board, and the novelty of legal issues presented on appeal.

Pending Cases as of December 31



The Board has been successful in reducing a backlog of cases which traces back to the separation of functions between the Board and the Department of Revenue between 1991 and 1995. At present, all cases filed in 2011 and before have been adjudicated.

The Board believes the calendar year end number of pending appeals is a reliable objective indicator of its performance.



The overall decline in the Board’s decision backlog, coupled with procedural adjustments, has made it possible for the Board to reduce the time necessary to decide its cases.

The Board does not propose to adjust its internal docketing procedures to force decisions into an annualized time frame. Some complex cases cannot reasonably be completed in one year, and on occasion the Board’s normal procedures are interrupted by necessary extensions of time or interlocutory court appeals.

The Board endeavors to write decisions which provide a clear analysis of the facts and statements of legal principle. The Board believes such decisions facilitate judicial review, facilitate planning and litigation analysis by current and potential litigants, and eventually result in resolutions which obviate the need for annually recurring litigation. It is, however, difficult to substantiate this belief with such objective criteria as percentage of decisions appealed, since a taxpayer normally files a court challenge to an adverse decision in a complex case, while the Department of Revenue generally does not.

As of June 30, 2013, judicial appeals of two Board decisions remain pending, after reaching a high of thirty-five decisions on appeal to the courts at the end of February 2006.

STORY BEHIND PERFORMANCE

The Board's performance, from the public standpoint, is generally transparent, excepting only disclosure of confidential information. The Board issues written opinions articulating the reasons for its decisions. The opinions are promptly posted on the Board's website. The website also provides current information about the Board calendar and schedule of hearings, as well as links to its Rules, Board opinions and procedural orders, a Frequently Asked Questions page, the Wyoming Statutes, and the Department of Revenue.

The Board believes the long-term effect of soundly written opinions is to fully and finally resolve litigation which might otherwise recur with each annual valuation cycle. The Board strives to write opinions to assure every litigant the Board has paid close attention to the evidence presented, and tied such evidence to the law in reaching a decision.

The Board employs a docket management system to assist in establishing priorities for disposition of cases. However, the Board has adjusted its scheduling procedures with the intention of assuring all litigants were familiar with the Board's procedures, and of minimizing delays related to pre-hearing discovery.

PERFORMANCE MEASURE # 2

Equalization: The Board evaluates the annual performance of county assessors using procedures established in its Rules, and intervenes if necessary to equalize valuation on all property in Wyoming's counties.

The Board has, over time, modified its practices and procedures for annual review of county abstracts. These changes are generally reflected in Rules which became effective February 10, 2006. Additional practical adaptations were required as a consequence of a new computer assisted mass appraisal (CAMA) system adopted by all counties under mandate from the Department of Revenue. The Board remains in a position to determine whether counties are in compliance with its standards, and fully discloses the details of its own analysis to each assessor. However, due to the inability to have full access to certain aspects of each county's data and operating systems, the Board's ability to determine the causes of non-compliance has been affected.

Additionally, the Board is required to annually review and verify all local and state valuations and levies, including mobile machinery levies. The Board also verifies necessary school foundation levies with the State Auditor and State Treasurer.

STORY BEHIND PERFORMANCE

The Board, by 2007, had altered its annual abstract review practices to more directly engage the technical support of the Department of Revenue to determine the causes of non-compliance. In some instances, the non-compliance has proven to be related to data distortions caused by aspects of the CAMA system, so that no assessor work practices are necessary to cure the problem. The Board annually prepares detailed sales ratio studies for each county and holds a hearing with each county assessor and the Department of Revenue for an in depth discussion of the results of the Board's analysis. The hearing commonly results in suggestions to the assessor for adjustments in the succeeding year. In 2011 the Board and Assessors achieved the goal of full transition from two older CAMA systems to the single system.

The Department of Revenue has addressed the Board's concerns for improved access to the CAMA system, making CAMA access available to the Board in a read-only version, in order to better perform the Board's annual abstract analysis.

WHAT THE BOARD PROPOSES TO DO IN NEXT 2 YEARS TO IMPROVE PERFORMANCE

The Board's timely disposition of pending cases has improved to the point of reaching the practical limits which can be achieved consistent with due process and sound opinion writing. The Board believes its goal for calendar year end pending cases should be 60 or less. The Board can meet this goal with current staff by maintaining its commitment to prompt disposition of cases.

A calendar year-end caseload in excess of 60 is likely to indicate either a statutory anomaly or growth in Wyoming. Should the latter occur the Board could expand its capacity by adding temporary personnel to assist the staff. The Board may also need to have a contract attorney due to the technical subject matter of the Board's opinions, and related requirements for technical citations.

For the next two years, the principal focus for change will be on challenges posed by the Department of Revenue's CAMA system and the upgrades to that system. The Board hopes to be in a position to propose new performance criteria by the end of that time.

Finally, the Board will make a budget increase request from its current budget to restore certain objects in the 200 series, Supportive Services, which were reduced due to the state's budget constraints. In order to maintain its current level of service to the public, additional funds will be requested to upgrade technology and to maintain office equipment and fixtures.

The increase request will be used for further training and education for the Board and staff, training to assist county officials, and travel in and out of state for participation in conferences or other tax matters impacting Wyoming and its citizens. The Board recently hired a new statistician, who has received some basic training since joining the Board in

April 2012. However, he will require additional training with the upgraded version of CAMA, as well as appraisal training. The statistician will need to travel to the various counties to assist the assessors, as may be required. In the event of the necessity for equalization in one or more counties, the Board must have sufficient travel funds available to hold the statutorily required hearings in the effected counties.