

STRATEGIC PLAN OF THE STATE BOARD OF EQUALIZATION

For the Period
July 1, 2021 through June 30, 2022



Submitted
September 16, 2019

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STATE BOARD OF EQUALIZATION

STRATEGIC PLAN

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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 has two primary missions that are set out within its constitutional mandate and through statute: 1) The Board adjudicates taxpayer appeals from decisions of the Department of Revenue (including the Liquor Division), the Department of Transportation, and the 23 county boards of equalization; 2) The Board also evaluates the performance of county assessors using procedures established by statutes and the Board's rules, and annually reviews all local and state valuations and levies, including mobile machinery levels. The Board also verifies necessary school foundation levies with the State Auditor and State Treasurer.

BASIC FACTS

The authority and duties of the State Board of Equalization are found in Sections 9 and 10, Article 15 of the Wyoming Constitution, which states, "The duties of the state board shall be to equalize the valuation on all properties in the several counties and such other duties as may be prescribed by law." Pursuant to Wyo. Stat. Sec. 39-11-102.1(a), the Board is primarily required to "hear appeals from county boards of equalization and review final decisions of the department [of revenue]" under contested case procedures of the Wyoming Administrative Procedure Act. The State Board also presides over fuel tax appeals between taxpayers and the Department of Transportation, and liquor license revocation appeals. W.S. 12-7-201(d); 39-17-109, -209 and -309.

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, Principal Statistician, and Executive Assistant.

The 2021-2022 Supplemental Biennium Budget for the Board is \$1,820,017.00.

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 can recur on an annual basis.

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 that surface during the annual evaluations often arise from conditions, such as rapid local growth, that do not warrant changes in the work practices of county assessors. After the abstracts are approved, the Board certifies the mill levies 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 Department of Transportation (fuel tax decisions only), appeals from liquor license revocations, and property tax appeals from county boards of equalization.

Tax Cases may be broadly categorized into four areas: Mineral Valuation (severance/ad valorem tax imposed on the value of produced minerals), Sales and Use Tax, County Board appeals, and Other. The "Other" category includes State Assessed Property cases

(pipelines, railroads etc.), take-in-kind cases, mineral penalty cases and miscellaneous matters, such as, Requests for Examination stemming from an alleged illegal taxation.

Trial-type hearings (contested case proceedings) arise from appeals from the Department of Revenue or Department of Transportation and vary in duration from one day to three weeks. The time required to examine the record, perform legal research and prepare written decisions 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. 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 or procedural issues presented.

As of June 30, 2019, judicial appeals of five Board decisions remain pending. At present, all cases filed in 2017 and before have been adjudicated. As of June 30, 2017, there were 55 cases pending before the Board. By June 30, 2019, that backlog was reduced to 21 cases.

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 that 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 that 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.

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 links to the Department of Revenue and Department of Transportation.

The Board believes the long-term effect of soundly written opinions is to fully and finally resolve litigation that might otherwise recur with each annual valuation cycle. The Board strives to write opinions to assure every litigant that 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 are 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 continues to modify its practices and procedures for annual review of county abstracts. 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.

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 has 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 with Board standards for uniformity of appraisal and assessment. In some instances, non-compliance has proven to be related to data distortions caused by aspects of the CAMA system, so that no adjustments to 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 may result in suggestions to the assessor for adjustments in the succeeding year. The Department of Revenue currently uses RealWare which incorporates the CAMA system. There are approximately two upgrades a year. As of July 2017, all 23 counties have version 5.13.16.

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.

AGENCY CHALLENGES/RISKS/PRIORITIES

Over the last sixteen months the Board has moved twice. We are now settled in what we hope will be our permanent location. The moves were expensive, coming in at a direct cost to the agency of just over \$47,000. We met these costs through cuts and encumbrances accrued over a three year period.

We expect the next few years to be relatively stable with respect to our caseload. Property tax reviews feature so many variables beyond our control that we cannot reliably predict what will be required of us. The Board's constitutional duties could require it to essentially take over a county assessor's office, but our budget would not realistically allow us to do that.