



PERFORMANCE AUDIT OF THE BOARD OF ASSESSMENT APPEALS

December 2011 Report Highlights



Dianne E. Ray, CPA
State Auditor

Board of Assessment Appeals
Department of Local Affairs

PURPOSE

Review the performance of the Board of Assessment Appeals in processing petitions, scheduling and presiding over hearings, and deciding cases.

BACKGROUND

- The Board of Assessment Appeals (the Division) is a quasi-judicial tribunal that provides an independent administrative forum through which taxpayers may appeal county property tax assessments.
- In Fiscal Year 2011, there were nine Board members, all of whom were licensed appraisers experienced in property valuation and taxation.
- From Fiscal Years 2007 to 2011, the number of petitions received by the Division increased 56 percent, and the number of petitions resolved increased 173 percent.

OUR RECOMMENDATIONS

The Division should:

- Clarify timeliness requirements and ensure appeals are resolved in accordance with these requirements.
- Take into account case complexity when assigning Board members to hear cases.
- Ensure parties appropriately exchange information prior to hearings.
- Establish a formal training program for Board members.
- Improve information available to taxpayer petitioners.
- Reevaluate its fee structure.

The agency agreed with all of these recommendations.

EVALUATION CONCERN

While the Board of Assessment Appeals recently reduced the time it takes to resolve appeals and employed many process improvements, further steps are needed to improve timeliness, increase operational efficiencies, and enhance customer service.

KEY FACTS AND FINDINGS

- The Division is not always timely in processing appeals and issuing decisions.
 - Of the 278 decisions involving county boards of equalization issued by the Division in Fiscal Year 2011, the Division issued 169 (61 percent) within 30 days of the hearing as required by statute, but issued the remaining 109 decisions between 31 and 167 days after their respective hearings.
 - In Fiscal Year 2011, on average, it took the Division 395 days, or about 13 months, to resolve appeals involving county boards of equalization.
- Regardless of the type or complexity of a petition, the Division allocates the same amount of resources and assigns two Board members to most hearings. As a result, a simple residential petition costs the Division the same to hear as a complex commercial or agricultural case.
- Some taxpayer petitioners do not comply with the Board's exchange of information rule. In cases in which the taxpayer petitioners submitted documentation, petitioners in 22 (26 percent) of the 84 cases reviewed submitted the documentation to county respondents either at the hearing or fewer than 10 days prior to the hearing, contrary to the Board's rule.
- The Board has not established a formal training program for Board members in areas such as presiding over hearings, writing decisions, or otherwise serving as hearing officers.
- Unrepresented taxpayer petitioners do not believe the information and assistance provided by the Division is sufficient to adequately prepare them for hearing.

For further information about this report, contact the Office of the State Auditor
303.869.2800 – www.state.co.us/auditor