

Standard on Assessment Appeal

Approved July 2001

International Association of Assessing Officers

This standard revises and replaces the 1981 *Standard on Assessment Appeal*.

The assessment standards set forth herein represent a consensus in the assessing profession and have been adopted by the Executive Board of the International Association of Assessing Officers. The objective of these standards is to provide a systematic means by which concerned assessing officers can improve and standardize the operation of their offices. The standards presented here are advisory in nature and the use of, or compliance with, such standards is purely voluntary. If any portion of these standards is found to be in conflict with the *Uniform Standards of Professional Appraisal Practice (USPAP)* or state laws, *USPAP* and state laws shall govern.

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Standard on Assessment Appeal

1. Scope

This standard provides recommendations on procedures for property assessment appeals instituted by taxpayers. This standard does not cover appeals between taxing districts and assessment agencies or between different levels of assessment agencies (for example, local v. state). It is not the intent of this standard to recommend a single model appeal procedure that would be applicable to all assessment jurisdictions, but rather to suggest the features of a simple, understandable, responsive, cost-conscious appeal system that will be effective in removing assessment inequities. Consequently, the recommendations contained in this standard should be considered in the context of the entire property tax system of a local jurisdiction or province or state, and only those recommendations that are superior to existing practices should be adopted. In particular, the recommendations in section 6 concerning the timing of assessment notices, appeal filings, and the like should be viewed in the context of providing sufficient time for the appeal process without unduly delaying tax collections.

This standard uses the term “assessor” to mean any local, state, or provincial authority that has primary responsibility for assessment of property for ad valorem purposes. The term “property owner” signifies the person or entity responsible for property taxes. It is understood that a representative may be acting for the property owner during an appeal.

2. Introduction

Assessment appeals are an important component in the assessment process. Appeals provide an opportunity for property owners to meet with the assessor to inquire about their assessments and to learn about assessment and appeal procedures. In the case of disputes about assessments, an appeal system should provide opportunities for informal meetings with the assessor and formal hearings before independent bodies to resolve disputed issues and thus assure the public that assessments are correct, fair, and equitable.

Key components of any assessment appeal system are reliance on a clearly written set of procedures, a well-developed public relations program for notification, and avoidance of any actions that might suggest discrimination in the way appeals are treated and resolved.

3. Structure of the Recommended Appeal System for Locally Assessed Property

There are two aspects of an assessment appeal: matters of fact, such as the amount of an assessment or

application of equalization factors, and matters of law, such as interpretation of statutes, constitutional or procedural issues, application of exemption privileges, or jurisdiction of appellate boards and tribunals. Matters of fact should be decided at the administrative level of appeals, with the state or provincial property tax tribunal the final resort for appeals of the amount of the assessment or the application of equalization factors. Matters of law decided at the administrative level may be appealed further to the courts.

For locally assessed property, the administrative appeals system should have three levels:

1. Informal appeal with the assessor
2. Appeal to a board or panel
3. Appeal to a state or provincial property tax tribunal

At each of these levels, the appeal body should publish operating procedures or rules and regulations so that all parties understand what is required of them and how the appeal will be conducted.

The second and third levels of appeal are handled by administrative or quasi-judicial appeal boards and tribunals, which are concerned chiefly with the accuracy of assessments for specific classes of properties, taxpayers, or areas. These boards and tribunals should provide a broad base of expertise to determine individual assessments.

Further appeals of the legality of an assessment are dealt with by the courts assigned jurisdiction over such matters of law. An administrative appeals system should direct taxpayers to the appropriate court and explain the procedure for filing such an appeal.

3.1 Informal Review by the Assessor

Property owners may seek informal review of an assessment notice for four reasons:

1. Factual error—that is, a data collection or clerical error
2. Uniformity claim—claim of discriminatory level of assessment
3. Belief that the valuation is inaccurate
4. Exemption claim

An objection on any of these grounds may not technically be an appeal but should be stated in writing (or an acceptable electronic substitute) and dated. All requests for an informal hearing should be recorded and acknowledged so that the property owner does not inadvertently lose the right to appeal because of untimeliness.

The appeal process should begin with an informal consultation between the assessor and the property owner to

1. Identify and document errors
2. Review the uniformity of assessment
3. Determine to what extent the parties to a valuation dispute can agree on the following facts:

- Property boundaries
- Property characteristics
- Use or classification of the property
- Gross and net income (if applicable)
- Particulars of a sale or comparable sales (if applicable)
- Construction costs (if applicable)
- Financial conditions that have an effect on value

4. Identify and clarify the basis for an exemption claim

This informal consultation may, at the option of the property owner, be handled by a face-to-face meeting, telephone conference, mail, fax, or electronic mail. An informal consultation allows both parties to consider their positions before a formal appeal. This informal process allows a large number of property owners to obtain information, state their grievances, and perhaps resolve their appeals in a simple, low-cost manner. At this level, the property owner should be able to receive information and provide responses to broad requests. Strict confidentiality of information must be maintained as required by statute, rules and regulations, and specific operating procedures.

After this informal review, the assessor should issue a decision in writing and send it to the property owner, along with information about the next level of review and the forms required to file a formal appeal.

The property owner who decides to lodge a formal appeal should be required to state the grounds of the appeal in writing on an appeal form or in a letter documenting the relief desired. This document and the assessor's written decision on the result of the informal appeal should be prerequisites to any further appeal.

3.2 The Local or Regional Appeal Board

The local or regional appeal board should serve three specific purposes:

1. Provide a first level of appeal of the assessor's decision on the value of a property
2. Provide a first level of appeal to dispute uniformity issues
3. Entertain claims for property tax exemption, where it has statutory authority to do so

For matters within its authority, the board may institute an investigation into assessments or practices that merit review by an outside authority. Such investigations should be undertaken only after a review of records and

the assessor's decisions or actions provide compelling evidence that such investigation is needed.

Procedures should be established requiring disclosure of all issues and principal arguments before the formal hearing convenes.

3.3 The State or Provincial Property Tax Tribunal

The function of the state or provincial property tax tribunal should be to act as the final resort for individual appeals on assessed values and application of equalization factors. However, unresolved legal issues may be appealed to the courts.

The tribunals should, upon review of records and the assessor's actions or decisions, institute investigative proceedings on assessments or practices that merit review by an outside authority. This should be done only when significant indications of discrepancies warrant a review.

3.4 The Courts

When administrative remedies, including arbitration, have been exhausted, taxpayers and agencies may appeal unresolved questions of law and questions of mixed law and fact, such as interpretation of statutes, application of exemption privileges, or the jurisdiction of appellate boards and tribunals, to the courts.

4. Structure of the Recommended Appeal System for Centrally Assessed Property

For those property valuations or assessments completed by a central assessment agency, such as railroads, telecommunications properties, and public utilities, the authority for review is somewhat different from that for local assessment appeals.

There are two general aspects of the assessment appeal (1) matters of fact, or the assessment application, and (2) matters of law, including the interpretation of statutes, constitutional or procedural issues, applications of generally accepted valuation techniques, and the jurisdictional level of appeal.

4.1 Matters of Fact

Matters of fact should be reviewed at an informal level of appeal between the taxpayer and the assessing agency. Efforts should be made to quantify the issues or errors of fact at an informal conference to eliminate further appeal or litigation to a higher administrative or tax appeal court.

4.2 Matters of Law

Matters of law should not be reviewed by appraisal staff. They should be reviewed by state or regional boards of appeal, boards of equalization, or tax tribunals. At each of these levels, the appeals body should publish operating procedures or rules and regulations so all parties understand what is required of them and how the appeal will be conducted. Conflicts of interest by members of the boards should be avoided at all costs. This level should

be chiefly concerned with the accuracy of assessments, use of generally accepted appraisal methods, proper allowance of exemptions, and the uniformity of assessments. These boards and tribunals should provide a broad base of expertise to determine assessment and valuation procedures.

4.3 Central Assessment Appeal Board

The central assessment appeal board should serve four specific purposes:

1. Provide a second level of direct appeal from the assessing agency's final decision on the assessed value of a company or property.
2. Provide a direct avenue for review of disputes on uniformity issues.
3. Examine claims for property tax exemptions.
4. For matters within its statutory authority, institute a contested case investigation into the assessment or valuation practice applied to the property under litigation. Such an investigation should be undertaken as a complete *de novo* hearing based on either written or oral testimony.

The board should maintain a complete transcript of the proceedings on the content of the hearing with all exhibits attached for review upon receipt of the "Final Facts and Conclusions of Law" as submitted by all parties and finalized by the hearing board. The board should hold a hearing within a reasonable amount of time because funds paid in protest are unavailable to the general budget or to the taxpayer, who may be entitled to a refund. In many instances, central assessment appeals can carry forward for many months or years depending upon the nature and complexity of the case. Every effort should be made for timely resolution.

4.4 The Courts

When all administrative remedies at the central assessment board or hearing board level have been exhausted, and taxpayers or agencies need further legal relief on unresolved issues of law or questions of mixed law and fact, such as the interpretations of statutes, applications of rules and regulations, and calculations of amended or upheld valuations, the taxpayers or agencies may appeal to the courts. These may be district courts, appellate courts, or the supreme court of the state or province. In some instances, the final level of review may be the highest court of the land.

Final decisions set precedents that may be followed to avoid retrial of the same issues.

4.5 Information to be Provided prior to Hearings

At the administrative hearing level, prior to any hearing, the appellant should provide the central assessment agency with a statement outlining unresolved issues to be raised at the hearing. Procedures should be established

requiring disclosure of all issues, principal arguments, and evidence before the formal hearing convenes.

4.6 Intervention by Affected Parties

Procedures should be established by administrative agencies or through legislation to permit intervention by affected parties. These could include local governments, whose funding may be affected, and taxpayer groups, because taxes paid by non-centrally assessed property may be affected by the outcome of appeals brought by centrally assessed properties.

5. Qualifications of Appeal Board and Tribunal Officials

Tribunals and appeal boards could include property owners, real estate appraisers, real estate brokers, mortgage loan officers, public accountants, lawyers, and other knowledgeable persons.

A review and appeal agency at any level should have the authority to adjust individual assessments and may have the authority to readjust assessments and assessment levels within its jurisdiction. To exercise these duties wisely, a board should be competent in the principles of property valuation and assessment matters, including the property tax laws of the jurisdiction and ratio studies.

5.1 Conflict of Interest

A member of an appeal board or of the state or provincial tax tribunal who appears to have a conflict of interest, a personal bias or prejudice, or an apparent or nonapparent interest in a property may, upon his or her own volition or at the request of an appellant, a respondent, or the assessor, be recused from hearing a specific appeal or appeals.

6. Notification

The appeal procedure should provide adequate time for property owners to inquire informally about their assessments and to file notices of dissatisfaction with the assessor and for the assessor to render a written decision on each such appeal. Adequate time should also be provided for property owners to lodge formal appeals of those decisions with the appeal board and for the board to act on all such appeals. All appeals to the board, if possible, should be decided before tax bills are issued. However, the period provided for appeals should not be so long as to delay tax collections unreasonably. Appeals on complex properties, such as those assessed by the state or province, may require more time than a typical appeal period; thus, tax collection may have to proceed based upon the appealed value.

6.1 Notice of Assessment

Whenever an assessment is changed, a notice of assessment that identifies the property, the property owner, the estimated market value, and the assessed value of the property should be mailed to each property owner.

The assessment notice should include material briefly explaining the appeal procedure. The property owner should be required to outline the reasons for objecting to or questioning the assessment. Thirty days from the date of mailing of the notice should be allowed for receipt of the objections. Objections received after this time limit should not be considered, unless the property owner shows just cause under statutory extension provisions.

The assessor should be given thirty days to respond to the objection by reviewing assessment records, inspecting the property, and interviewing the property owner. All results (decisions or withdrawals) should be sent in writing to all parties in all cases. With the written decision, the assessor should include appropriate forms for appeal to the local or regional appeal board.

6.2 The Local or Regional Appeal Board

The property owner should be allowed thirty days from the date of mailing of the written decision to appeal that decision to the local or regional tax appeal board. The local or regional tax appeal board shall establish a timely schedule for hearings of either the record or a de novo case. Rules and regulations should be put into effect to advise a property owner or taxpayer of the type of case to be heard.

After a hearing, the local or regional appeal board should be required to send a written decision to the parties and include the appropriate forms for appeal to the state or provincial property tax tribunal.

6.3 The State or Provincial Property Tax Tribunal

The property owner or taxpayer should be allowed thirty days from the date of mailing of the decision of the local or regional appeal board to appeal that order to the state or provincial property tax tribunal. The state or provincial property tax tribunal should establish a timely schedule for hearings.

6.4 The Courts

Appeals to the courts on matters of law, interpretation, and exemption should follow the procedures set out in the court rules for the state or province.

7. The Hearing

The hearings of the boards or tribunals should be open to the public, and a complete transcript should be made of all proceedings. Notification of the hearing time and place should include the time to be allotted to the case and a brief explanation of procedures and rules of evidence.

To expedite appeals, board members, whatever their number, should have the option of sitting in panels of three or more or of having appeals heard by a single board member, or master. Further, if the appeal warrants, the panel could request that the materials may be put into an expedited written briefing by the parties. A final decision will still reside in the hands of the panel.

The assessor or appropriate assessing personnel should, under oath, provide copies of the original assessment, ratio study data, if applicable, and a copy of any previous decision. Witnesses should be allowed to provide expert testimony in support of the assessing jurisdiction's actions.

Once sworn to tell the truth, the property owner should be given adequate time to explain why the decision should be altered. This explanation may be supported with written evidence and the testimony of expert witnesses.

An oral decision, if possible, can be given at the hearing or the matter can be reserved, and a written decision provided after consideration. An oral decision would, of necessity, have to be followed by a written decision. Decisions should be rendered in a timely manner, preferably within forty-five days from the date the final transcriptions and "Conclusions of Law and Findings of Fact" are received by all parties to the hearing. Timeliness of decisions is critical to all involved, especially if the decision is subject to any higher courts of law.

**Assessment Standards of the
International Association of Assessing Officers**

Standard on Property Use Codes withdrawn

Standard on the Application of the Three Approaches to Value in Mass Appraisal September 1983
(revised August 1985)

Standard on Mass Appraisal of Real Property March 1984

Standard on Contracting for Assessment Services September 1986

Standard on Urban Land Valuation July 1987

Standard on Cadastral Maps and Parcel Identifiers January 1988

Guide to Assessment Administration Standards March 1990

Standard on Valuation of Personal Property February 1996

Standard on Facilities, Computers, Equipment, and Supplies May 1996

Standard on Property Tax Policy August 1997

Standard on Ratio Studies July 1999

Standard on Professional Development.....December 2000

Standard on Assessment Appeal July 2001

Standard on the Valuation of Property Affected by Environmental Contamination July 2001

Standard on Public Relations July 2001



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