

# State Board of Equalization

## *• Mission and philosophy*

The mission of the State Board of Equalization is to ensure equity and fairness in taxation through:

- Well-reasoned decisions arising from the appeals of the action of the Department of Revenue or County Boards of Equalization.

- Equalization actions instituted to ensure equalization, for property tax purposes, of the market value of all properties among the several counties.

The State Board of Equalization consists of three professional full-time members appointed by the governor and confirmed by the Senate. Members serve six year staggered terms. No more than two board members may be of the same political party. The board has two primary functions:

- Members sit as a panel of administrative law judges hearing taxpayer appeals from final decisions of the Department of Revenue and appeals from decisions of county boards of equalization. In this quasi-judicial capacity, members serve as the tax appeal board for the state of Wyoming.

- As required by the state constitution, the board provides for equalization of property taxes, based on the fair market or productive value standard, in the several counties.

## *• Results of outcomes*

During the fiscal year, the board docketed 322 new appeals, issued 33 opinions and dismissed 211 cases. Three hundred eighty-six appeals were pending as of June 30, 1998, a net of 78 more cases pending than the prior year.

To alleviate the board's backlog of cases, procedures have been instituted for review and assignment of cases as they become ready for consideration. Weekly work sessions are now scheduled so board members can regularly analyze and discuss cases. In addition, the board's executive secretary has aggressively reviewed all outstanding cases and was able to dismiss many in which all discrepancies had been resolved. Statistical analyses (during equalization and mill levy time) have historically been accomplished by a board member. This activity effectively took two months time and will now be accomplished by the principal statistician.

The board is concerned about the large number of appeals, but an even greater concern from a docket management aspect is the increasing complexity of the appeals before the board. Much of this complexity is a direct result of additional tax assessments being levied based on very detailed audits completed by the Department of Audit. The result is significantly greater complexity in the mineral tax cases which are appealed to the board. The more complex cases take more hearing time, more time to review, research and analyze opposing party briefs, and more time to write the final board decision. Complex multi-million dollar mineral tax decisions are frequently appealed to the Wyoming

### **General information**

Dennis W. Tippetts, Chairman

### **Agency contact**

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### **Year established and reorganized**

Established 1890, reorganized 1991 and 1995

### **Statutory references**

Article 15, Sections 9 and 10, Wyoming Constitution; Generally W.S. § 39-11-102.1.

### **Number of authorized personnel**

Full-time 6

### **Clients served**

Taxpayers, county assessors, county commissioners

### **Budget information**

Expenditures through June 30, 1998:

Objective I.A	\$305,884
Objective I.B	35,159
Objection I.C	7,032
Objective I.D	3,516
Objective II.A	56,890
Objective II.B	720
Objective II.C	3,601
Objective II.D	10,802
<b>Total</b>	<b>\$423,604</b>

court system, but the record and decision must be complete as the board is the original fact finder responsible for preparing the record.

In late 1996, the board funded an independent study of the equalization process. This study helped pinpoint some of the problem areas and was instrumental in the development of HB 31, which changed assessment dates to a calendar year basis and gave the board an additional month in which to make its equalization analyses (this bill became Chapter 22, Session Laws of Wyoming, 1997). New equalization rules have been developed jointly with a committee of three county assessors appointed by the group's president. These revised rules (Chapter 5, Equalization Standards and Procedures) have been approved by the Governor and Legislative Management Council. Additionally, further statistical tests are being developed in-house to ensure equality standards are being met.

The board has considered the docket backlog situation in depth, and has reluctantly concluded it is unable to process the current caseload in a timely manner with existing staff.

The three person board is adequate to make the decisions on the various appeals, but the bottleneck in the process is writing the often complex decision and accompanying order for each case. The lone staff attorney and executive assistant are barely able to keep up with the increasing flow of paperwork associated with each appeal, which leaves little or no time to work on final legal decisions.

The board has requested additional assistance in writing opinions from the Attorney General, but he has no available staff to assign to the board.

The board knows of and appreciates gubernatorial and legislative concern about the growth of state government, but it has tried other alternatives and they are not working. If nothing is done, the SBOE docket backlog can have severe negative implications in the revenue and tax collection process for state and local governments. In order to solve the problem, the board has submitted a supplemental budget request in order to hire two additional staff attorneys to assist in researching and writing legal opinions.

## • *Results of outcomes*

Due to the larger number and increasing complexity of appeals filed during this fiscal year, the board has been unable to hear, decide or dismiss appeals from Department of Revenue decisions as rapidly as planned. The same is true concerning appeals from decisions made by county boards of equalization. Only limited work has been accomplished on the planned automated tracking system and the key words and phrases index.

The board has made significant progress in evaluating the fair market value standard through sales ratio studies for residential property. No equalization actions were required during the fiscal year. In general, abstract and mill levy reports have met the standards required by the board.

## • *Strategic plan changes*

The strategic plan for the board has been condensed to make the plan more manageable. In addition, the time frame for deciding docket backlog cases has been modified to be more realistic. The revised strategic plan includes anticipated increased work output from the requested additional staff.

# State Board of Equalization organization chart

