

BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS



TAX YEAR 2010 ANNUAL REPORT

CHAIRPERSON: TOWANDA PAUL-BRYANT

**THE BOARD OF REAL PROPERTY
ASSESSMENTS AND APPEALS**

**TAX YEAR 2010
ANNUAL REPORT**

**TOWANDA PAUL-BRYANT
CHAIRPERSON**

ANNUAL REPORT
OF
THE BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS
TAX YEAR 2010

TOWANDA PAUL-BRYANT
CHAIRPERSON

PATRICK BLAKE, ESQ.
LESLIE BOISSIERE
TERRENCE BOYKIN
MAY CHAN
PATRICK CHAUVIN
ROBERT COOPER, ESQ.
CLIFTINE JONES
JOHN MAHSHIE, ESQ.
CHARLES MAYO, ESQ.
FRANK SANDERS
KEITH STONE
HENRY TERRELL, ESQ.
GEORGE S. TOLL, JR.
JAMES "SKIP" WALKER
SEAN WARFIELD
TRENT T. WILLIAMS

TABLE OF CONTENTS

Board of Real Property Assessments and Appeals Membership for Tax Year 2010
Board of Real Property Assessments and Appeals Current Membership
Board of Real Property Assessments and Appeals Staff

	Page
1. Executive Summary	7
2. Tax Year 2010 Assessment Appeal Season Overview	9
3. Major Issues Facing the Board	10
4. Accomplishments	12
5. Legislation	13
6. New Initiatives	14

Appendix

• Tax Year 2010 Summary of Decisions & Assessment Data	A-1
• Total Appeals by Class for Tax Year 2010	A-2
• Total Appeals From Tax Year 2005 Thru Tax Year 2010	A-3
• Total Appeals by Class From Tax Year 2005 Thru Tax Year 2010	A-4
• Board Members' Cases and Hours for Tax Year 2010	A-5
• Board Members' Hours and Compensation for Tax Year 2010	A-6
• Organization Chart	A-7

BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS MEMBERSHIP FOR TAX YEAR 2010

MEMBERS	ROLE	CONFIRMATION DATE	TERM ENDING ¹
Towanda Paul-Bryant	Chairperson	June 20, 2009	July 31, 2011
Leslie Boissiere	Member	June 20, 2009	July 31, 2010
Terrence Boykin	Member	January 4, 2006	July 31, 2010
May S. Chan	Member	July 10, 2007	April 30, 2011
Patrick Chauvin	Member	July 18, 2009	April 30, 2012
Robert Cooper	Member	June 20, 2009	July 31, 2011
Cliftine Jones	Member	February 23, 2008	April 30, 2011
John Mahshie	Member	February 23, 2008	July 31, 2009
Charles Mayo	Member	March 12, 2010	April 30, 2012
Frank Sanders	Member	July 18, 2009	April 30, 2011
Keith Stone	Member	July 18, 2009	June 8, 2010 ²
Henry Terrell	Member	January 4, 2005	August 8, 2010 ³
George Toll	Member	May 3, 2005	July 31, 2009
James "Skip" Walker	Member	February 23, 2008	July 21, 2010
Sean Warfield	Member	January 4, 2006	July 31, 2010
Trent Williams	Member	June 20, 2009	April 30, 2013

¹ A member can serve up to 180 days after the expiration of his/her term has expired or until the Mayor appoints a new member or the current member is reappointed, whichever comes first.

² Mr. Stone's resignation was effective on this date.

³ Mr. Terrell's resignation was effective on this date.

**BOARD OF REAL PROPERTY ASSESSMENTS AND
APPEALS CURRENT MEMBERSHIP
As of September 15, 2010**

**TOWANDA PAUL-BRYANT
CHAIRPERSON**

**PATRICK BLAKE, ESQ.
LESLIE BOISSIERE
TERRENCE BOYKIN
MAY CHAN
PATRICK CHAUVIN
ROBERT COOPER, ESQ.
CLIFTINE JONES
CHARLES MAYO, ESQ.
FRANK SANDERS
JAMES "SKIP" WALKER
SEAN WARFIELD
TRENT T. WILLIAMS**

BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS

STAFF

Renee McPhatter	Administrative Officer	Renee.mcphatter@dc.gov
Debra Spencer	Staff Assistant	Debra.spencer@dc.gov
Sophia Murray	Clerical Assistant	Sophia.murray@dc.gov
Judith Brightwell	Data Entry	Judith.brightwell@dc.gov

Executive Summary

The mission of the Board of Real Property Assessments and Appeals (“Board”) is “to conduct fair and impartial real property assessment appeal hearings and to ensure that appellants’ real properties are assessed at 100 percent of market value.”

Currently, the District of Columbia law provides real property owners with a three-level appeals process as it relates to real property taxation assessments. The first level appeal occurs with the Office of Tax and Revenue (“OTR”) where the petitioner can appeal the assessments with the assessor of record. At this appeal level, the assessor can either sustain or reduce the proposed assessed value of the property.

The Board is the second level, and its statutory authority is derived from D.C. Official Code 47-825.01. The Board is composed of up to 18 members. However, the Board functions primarily in two or three member panels who review and decide individual appeals by taxpayers – residential or commercial property owners – who exhausted their first level appeal. Before the panels, the taxpayers can represent themselves or be represented by counsel which could be an attorney or non-attorney “tax consultant.” Finally, if the taxpayer has exhausted all avenues with the Board, which includes requesting a rehearing, then the taxpayer can appeal to the Tax Division of the Superior Court of the District of Columbia, the third level of appeal.

The Board consists of real estate brokers, agents, general appraisers, residential appraisers, and attorneys that are familiar with every aspect of the unique real estate market in the District. Board members, who are appointed by the Mayor and confirmed by the Council, serve on an as-needed basis. Pursuant to District law, members may not

be officers of the District government⁴. Accordingly, all members remain independent, impartial and objective, in discharging their official duties.

The Annual Report covers the activities for Tax Year 2010. The Board made major improvements in processes and streamlined its operations in Tax Year 2010. Even with the Board's caseload increasing by 27% from the previous year, the appeals process ran more efficiently this season than in years past.

⁴ For purposes of Section 47-825.01, officers of the District government means the Mayor and the members of the Council.

Tax Year 2010 Appeal Season Overview

The Board received 6,178 appeals for Tax Year 2010. This is an increase of 1,698 appeals – a 27 % increase from Tax Year 2009 which was 4,480 appeals. Of the 6,178 appeals, 5,951 were “standard assessment appeals” which are valuation and classification appeals that are automatically placed in OTR’s tracking system. In addition to the standard assessment appeals, the Board rendered decisions on appeals for Possessory Interest; Classification Appeals that are not in the current tax year; Homestead Exemption; and New Property Owner Appeals⁵. Because these appeals are not “standard assessment appeals” and can not be automatically placed into OTR’s tracking system, the Board must notify OTR who will manually places the decision into the tracking system⁶.

Due to the significant increase in cases and the sever inclement weather during the months of December 2009 and January 2010, the Board was unable to complete the Tax Year 2010 assessments appeals by the February 1st statutory deadline⁷. The Board by the deadline, however, had completed 4,616 appeals which exceeded the total number of appeals received for Tax Year 2009 of 4,480. The Board notes again that with the ever increasing caseload, the statutory deadline of February 1st is less attainable.

⁵ For Tax Year 2010, the Board received no Water and Sewer Special Assessments appeals.

⁶ For 6,178 appeals for Tax Year 2010, the Board recommended a proposed assessed value of the property and prepared a written statement of the basis for the recommendation that was signed by each member who participated in the hearing and the written decisions are transmitted to OTR and the petitioners.

⁷ There is no statutory deadline to complete Possessory Interest; Water and Sewer Special Assessments; Homestead Exemption; and Classification appeals.

Major Issues Facing the Board

The major issues facing the Board continue to be the ever increasing, complex caseload and a compressed timeframe to complete that workload by the February 1st deadline. *Over the last five years, the Board's caseload has increased by 135%.* In 2005, the Board received 2,624 appeals compared to 6,178 in Tax Year 2010. Not only has the number of appeals have increased but also the appeals have become more complex in nature. For example, the Board has received 34% increase in commercial appeals from 1,369 in Tax Year 2009 to 1,838 in Tax Year 2010. The Board must review a vast amount of highly technical information which includes income-expense reports, leases, and sales comparable to render a decision in commercial appeals.

Homestead Exemption Appeals, among other issues, also increased astronomically over the past year. The Homestead Exemption reduces an owner's assessed value by \$67,000 prior to calculating the property tax liability. To receive this tax relief, an owner must occupy the property, and the property must be the domicile of the owner. OTR has been conducting audits to ensure that owners comply with the law.⁸ With these audits, there has been a *790% increase* in appeals on Homestead Exemptions. Tax Year 2009, the Board received 14 appeals whereas in Tax Year 2010, the Board received 125 appeals. The Board has done extensive legal research on these appeals because it turns on whether a petitioner is "domiciled" in the District of Columbia to obtain this tax relief.

The other major issue facing the Board is the compressed timeframe to meet the February 1st deadline. The Board does not receive the bulk of the appeals until

⁸ *New York Times* article dated September 1, 2010 stated that state and local governments around the country are aggressively pursuing people who improperly claiming homestead exemption.

September. Therefore, with the statutory limitations regarding scheduling appeals, the Board effectively has approximately 90 days to complete the entire caseload of thousands of appeals by February 1st.

Accomplishments

In Fiscal Year 2010, the Board continued its efforts to improve its operations. During this period, the Board accomplished several important items;

Website ([http:// brpaa.dc.gov](http://brpaa.dc.gov))

In Tax Year 2010, all Board decisions were displayed on our website. On a monthly basis, the Board uploaded completed assessment appeal decision. By displaying the decisions on the website, the public had greater flexibility to review the decisions.

Database

With the aid of the Office of the City Administrator, the Board improved its records by developing a database. The new database allowed the Board's administrative staff to track the number of appeals filed at the Board, the types of appeals, the board member's assignment and the completion of appeals.

Training

The training sessions were revamped so that the focus would be on educating the Board members on any issues pertaining to residential and commercial valuation.

Administrative Procedures

Administrative processes, such as for appeals forms and members' responses, were streamlined to expedite the entire appeals process.

Legislation

During Tax Year 2010, hearings and forums were held to discuss the District of Columbia's real property appeals process as a whole. Although many suggestions have been put forth on how to revamp the process, no legislative action has been taken as it pertains to the Board at this time.

New Initiatives

The Board has reviewed the current filing system and has taken steps to improve the efficiency of its current system in measurable ways during the Tax Year 2010 Appeals season, including developing a database. In Tax Year 2011, the Board will enhance the database by adding a new criteria and searchable functions.

The Board's goal is to continue to begin the season as early as possible to better accommodate the February 1st deadline. However, the budget dictates that this is a phased process.

The Board will continue to improve on the training program for members. The training program will be centered around valuation techniques which include income, market, and cost approaches to value.

The Board also instituted new procedures for completing appeals as well as process to streamline the hearing and deliberation process for Board members.

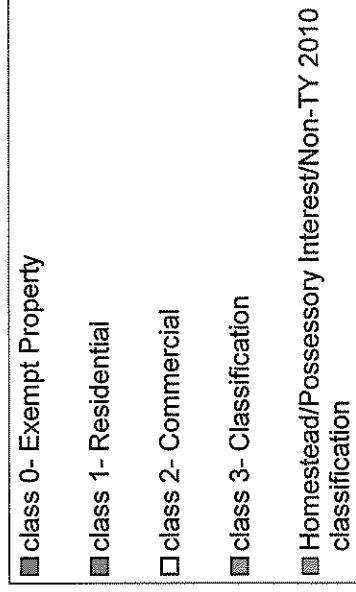
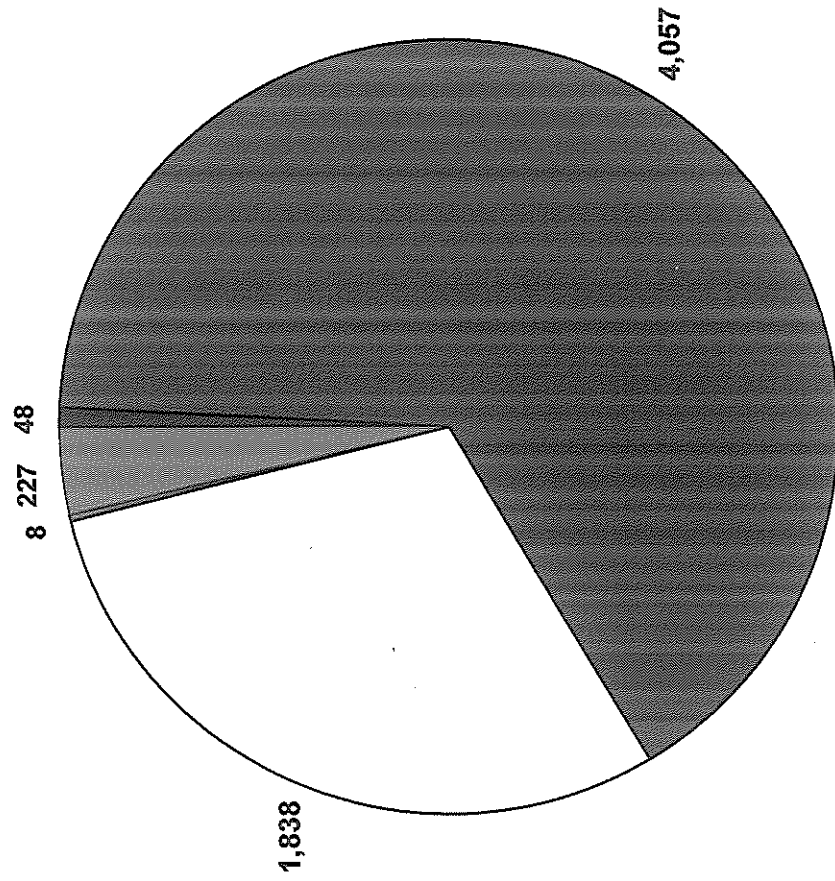
BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS (DA)

TAX YEAR 2010 ANNUAL REPORT

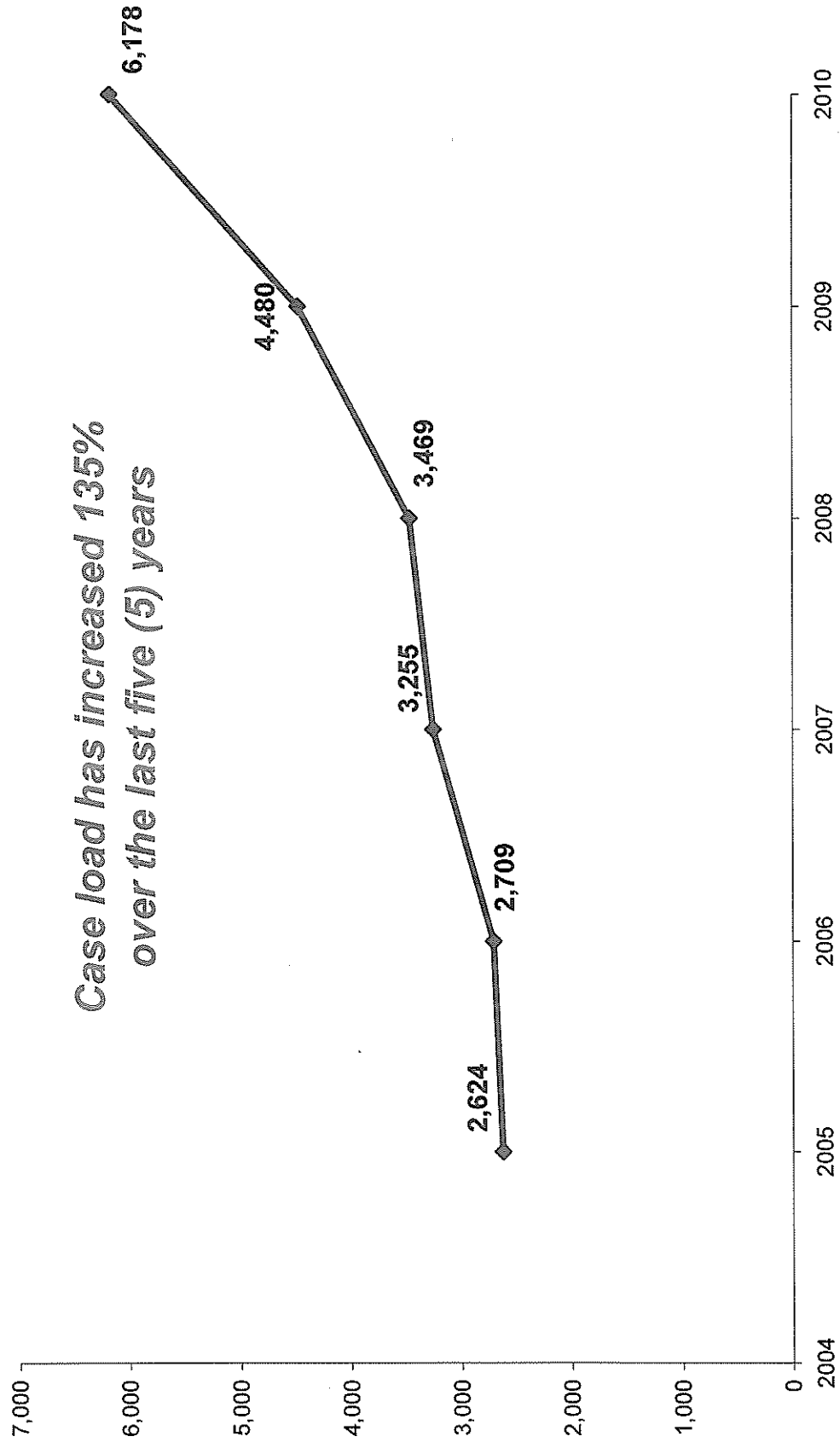
Class	Number of Cases						Total	Assessment Difference	Revenue Impact
	Sustained	Reduced	Increased	Withdrawn	Stipulation	Recommended			
*0	40	1	0	6	0	1	48	-3,551,550	0
	Percent	83.33	2.08	0.00	12.5	2.08			
1	2,631	710	1	277	18	420	4,057	-421,810,077	3,585,386
	Percent	64.85	17.50	0.02	6.83	10.35			
2	1,085	542	7	48	10	146	1,838	-2,638,141,138	48,805,611
	Percent	59.03	29.49	0.38	2.61	7.94			
3	8	0	0	0	0	0	8	0	0
	Percent	100.00	0.00	0.00	0.00	0.00			
* Homestead Exemption / Possessory Interest/ Non- TY 2010 Classification							227		
Total							6,178		
Report Total							6,178	-3,063,502,765	52,390,997

*Class 0 is property that is currently exempted from tax liability; however, the property still has a proposed real property assessment. If any time the exemption is revoked because the requirements are not met, then the assessment is used to calculate the tax liability. Therefore, Class 0 has no revenue impact for the current tax year.

Total Appeals by Class for Tax Year 2010

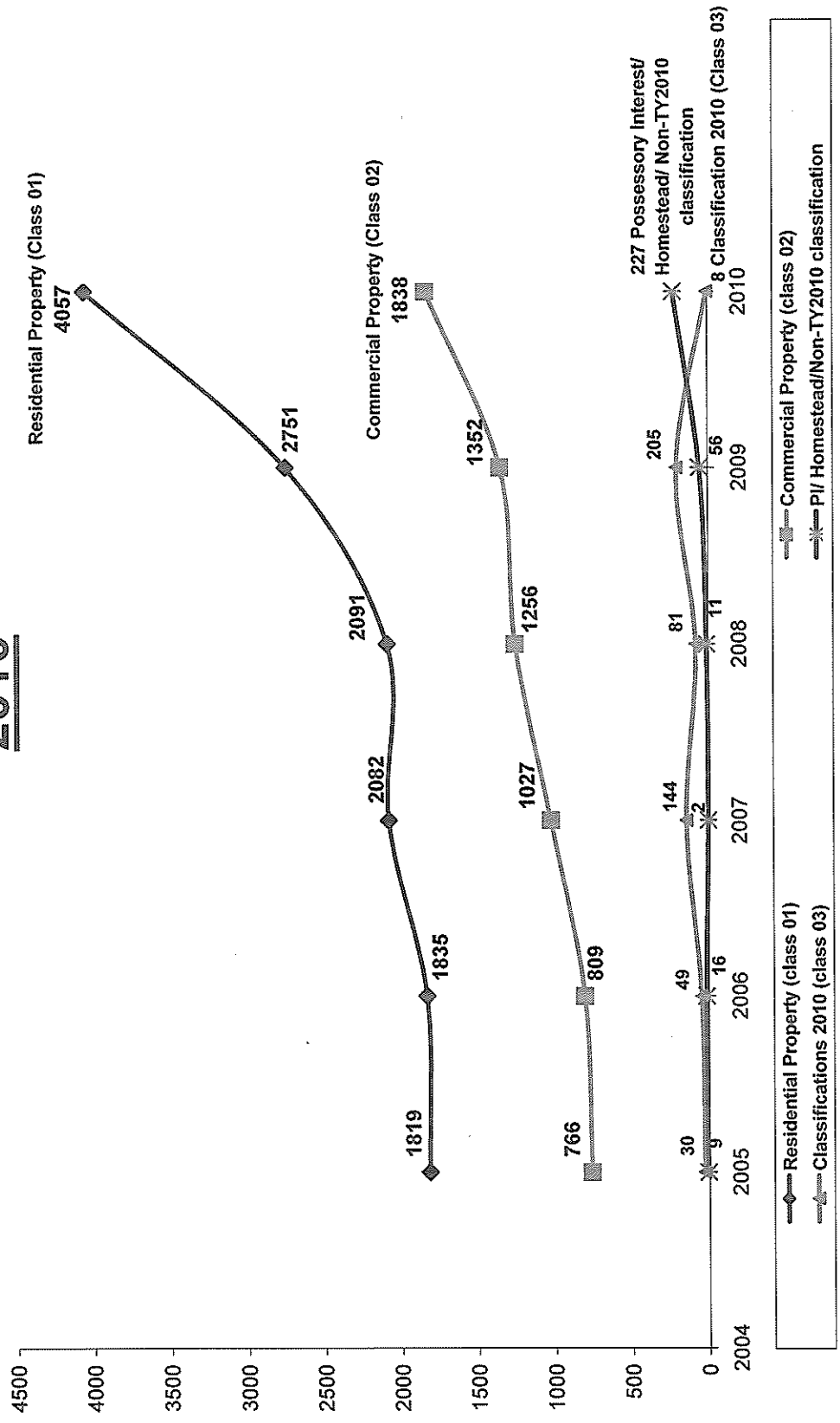


Total Appeals From TY 2005 Thru TY 2010



Total Appeals by Class from TY 2005 Thru TY

2010

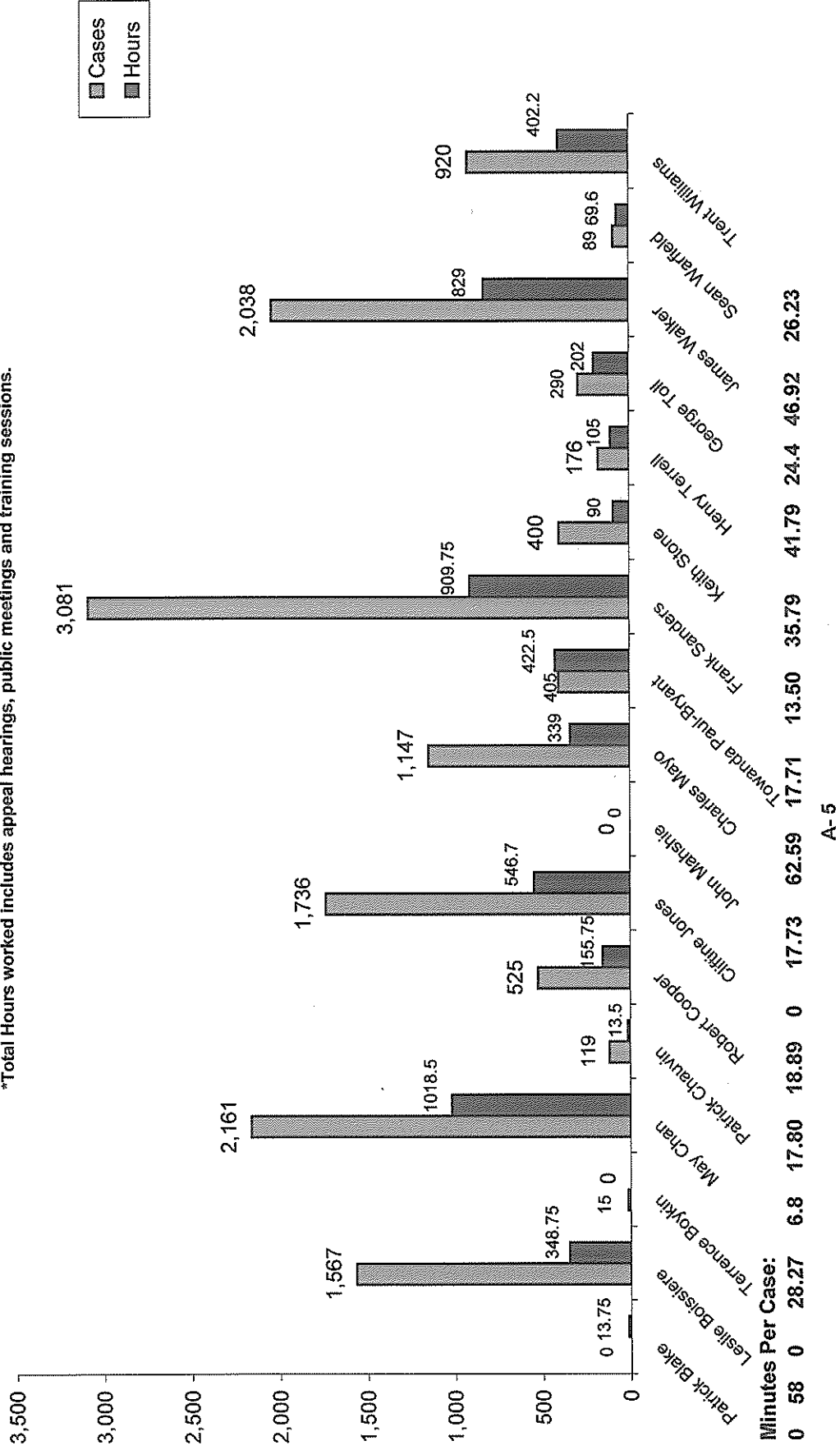


Board Members' Cases and Hours

October 1, 2009 - September 1, 2010

*These figures do not reflect hours that are donated by Board Members.

*Total Hours worked includes appeal hearings, public meetings and training sessions.



Minutes Per Case:

0 58 0 28.27 6.8 17.80 18.89 0 17.73 62.59 17.71 13.50 35.79 41.79 24.4 46.92 26.23

A-5

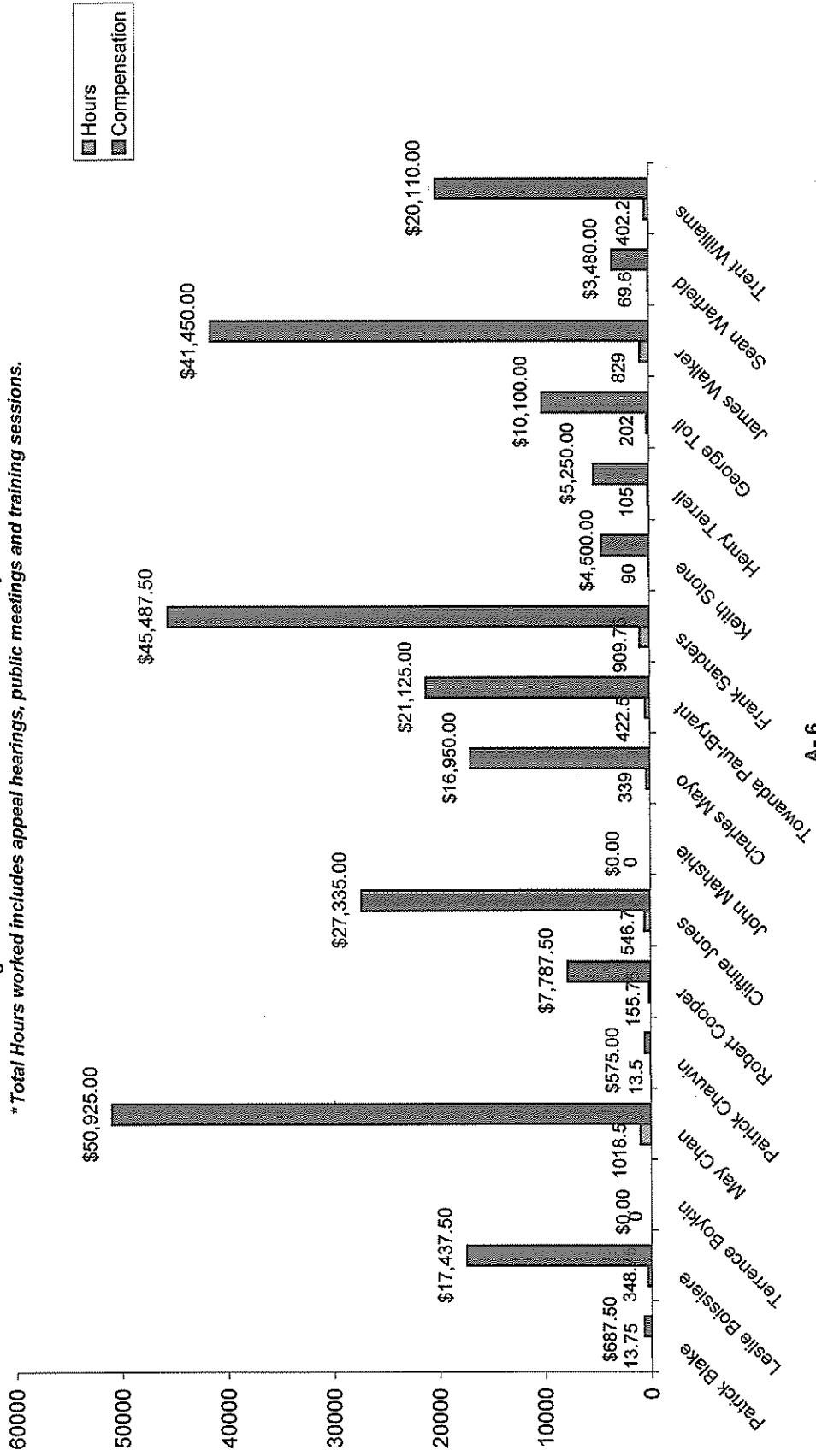
Board Members' Hours and Compensation

October 1, 2009 - September 1, 2010

* Pay per hour (\$50)

* These figures do not reflect hours that are donated by Board Members.

* Total Hours worked includes appeal hearings, public meetings and training sessions.



BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS

ORGANIZATIONAL CHART

