



GOVERNMENT OF THE DISTRICT OF COLUMBIA

THE REAL PROPERTY TAX

APPEALS COMMISSION

**TAX YEAR 2016
ANNUAL REPORT**



**GREGORY SYPHAX
CHAIRPERSON**

**RICHARD AMATO ESQ.
VICE CHAIRPERSON**

**ANNUAL REPORT
OF
THE REAL PROPERTY TAX APPEALS COMMISSION**

TAX YEAR 2016

**GREGORY SYPHAX
CHAIRPERSON**

**RICHARD AMATO, ESQ.
VICE CHAIRPERSON**

TY 2016 FULL-TIME COMMISSIONERS

**MAY CHAN
CLIFTINE JONES
FRANK SANDERS
STACIE SCOTT**

PART-TIME COMMISSIONERS

**KARLA CHRISTENSON
DONALD ISAAC
ALVIN JACKSON
ERIC JENKINS
JOHN E. NEIL OLLIVIERRA
SKIP WALKER
SEAN WARFIELD
TRENT T. WILLIAMS**

TABLE OF CONTENTS

	Page
1. Real Property Tax Appeals Commission TY 16 Membership	4
2. Real Property Tax Appeals Commission Staff	4
3. Executive Summary	5
4. Tax Year 2016 Assessment Appeal Season Overview	6
5. Major Issues Facing the Commission	9
6. Accomplishments	11

**REAL PROPERTY TAX APPEALS COMMISSION MEMBERSHIP
TY 2016**

MEMBERS	ROLE	CONFIRMATION DATE	TERM ENDING
Gregory Syphax	Chairperson	July 13, 2012	April 30, 2018
Richard Amato, Esq.	Vice Chairperson	July 13, 2012; reconfirmed July 14, 2015	April 30, 2019
May S. Chan	Commissioner	July 13, 2012; reconfirmed April 17, 2014	April 30, 2018
Cliftine Jones	Commissioner	July 13, 2012	April 30, 2018
Stacie Scott-Turner	Commissioner	July 27, 2015	July 27, 2019
Frank Sanders	Commissioner	December 4, 2012	April 30, 2017
Karla Christensen	Part-Time Commissioner	May 9, 2013	April 30, 2017 Resigned March 10, 2016
Donald Isaac, Jr.	Part-Time Commissioner	July 13, 2012; reconfirmed September 24, 2014	April 30, 2018
Alvin Jackson	Part-Time Commissioner	May 7, 2013	April 30, 2017
Eric Jenkins, Esq.	Part-Time Commissioner	July 17, 2015	April 30, 2019
John Neil Ollivierra	Part-Time Commissioner	March 24, 2014	April 30, 2018
James "Skip" Walker, Jr.	Part-Time Commissioner	July 13, 2012	April 30, 2018
Sean Warfield	Part-Time Commissioner	December 4, 2012	April 30, 2016
Trent Williams	Part-Time Commissioner	July 13, 2012; reconfirmed July 14, 2015	April 30, 2019

REAL PROPERTY TAX APPEALS COMMISSION STAFF

Carlynn Fuller	Executive Director	Carlynn.fuller@dc.gov
Debra Spencer	Staff Assistant	Debra.spencer@dc.gov
Sophia Murray	Clerical Assistant	Sophia.murray@dc.gov
Judith Brightwell	Program Assistant	Judith.brightwell@dc.gov
Donald Freeman	IT Specialist	Donald.freeman2@dc.gov

Executive Summary

The mission of the Real Property Tax Appeals Commission (RPTAC) is to conduct fair and impartial hearings to review disputed real property tax assessments (to ensure that properties are assessed at 100% of market value), to resolve claims of improper real property classifications, homestead (domicile), and senior eligibility issues. This Annual Report covers the activities for Tax Year 2016.

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

Once a Petitioner has received his or her Notice of 1st Level Decision and is aggrieved by the decision, the Petitioner has 45 days from the date of the notice to appeal to the 2nd level – The Real Property Tax Appeals Commission. Petitioners can represent themselves or be represented by counsel which could be an attorney or non-attorney “tax consultant.” Finally, after the taxpayer has exhausted all avenues with the Commission, which sometimes includes requesting a rehearing, the Petitioner can appeal to the third-level of appeal – the Tax Division of the Superior Court of the District of Columbia.

The Commission is comprised of a full-time chair and vice chair, four full-time Commissioners and, currently, six part-time Commissioners. The full-time Commissioners are District of Columbia Government employees while the part-time Commissioners are paid on an hourly stipend basis.

Tax Year 2016 Appeal Seasons Overview

For Tax Year 2016, the Commission received four thousand three hundred forty-four (4,344) appeals. This is a decrease of two hundred and twenty-one (221) appeals from Tax Year 2015. Of these appeals, four thousand three hundred and thirty-one (4,331) appeals were “standard assessment appeals” which are valuation appeals that are automatically placed in the Office of Tax and Revenue’s tracking system. For Class 1 properties, the Commission received a total of three thousand two hundred and ninety-six (3,296) appeals, with six (6) appeals being withdrawn, and four (4) appeals were resolved by way of Stipulation Agreements between the Office of Tax and Revenue and the Petitioner. The Commission decided a total of three thousand two hundred and eighty-six (3,286) appeals. Of these cases, none were increased, three thousand and ninety (3,090), or ninety-four (94%), were sustained, and one hundred ninety-six (196), or six percent (6%), were reduced.

Tax Class 1

Action	Assessed Value (AV)	Dollar Value (DV) (AV ÷ 100 x .85)
1 st Level Cases Appealed to RPTAC (excluding withdrawn cases)	\$ 4,466,354,420	\$ 37,964,012.57
1 st Level Cases Appealed to RPTAC resulting in 2 nd Level Stipulations (between the Petitioner and OTR)	\$ 60,125,180	\$ 511,064.03
2 nd Level Stipulation Agreements	\$ 52,853,630	\$ 449,255.86
Impact (Difference between 1 st Level Cases Appealed and 2 nd Level Stipulation Agreements)	\$ 7,271,550	\$ 61,808.18
1 st Level Cases Appealed to and decided by RPTAC	\$ 4,406,229,240	\$ 37,452,948.54
2 nd Level (RPTAC) Actions	\$ 4,326,217,973	\$ 36,772,852.77
Impact (Difference between 1 st Level Cases Appealed to RPTAC and 2 nd Level Actions)	\$ 80,011,267	\$ 680,095.77
2 nd Level Increases	\$ 0	\$ 0
2 nd Level Reductions	\$ 616,424,553	\$ 5,239,608.70
2 nd Level Sustained	\$ 3,709,793,420	\$ 31,533,244.07

The Commission also received one thousand and thirty-five (1,035) appeals in tax Class 2: sixty-eight (68) were withdrawn and sixty-three (63) were resolved by way of Stipulation Agreements between the Office of Tax and Revenue and the Petitioner. The Commission decided a total of nine hundred and four (904) appeals. Of these appeals, two (2) or less than one percent (<1%), were increased, seven hundred and thirty-eight (738), or eighty-two percent (82%), were sustained, and one hundred and thirty-two (132), or fifteen percent (15%), were reduced.

Class 2 Properties (\$3 million or less)

Action	Assessed Value (AV)	Dollar Value (DV) (AV ÷ 100 x 1.65)
1 st Level Cases Appealed to RPTAC (excluding withdrawn cases)	\$ 268,535,941	\$ 4,430,843.03
1 st Level Cases Appealed to RPTAC resulting in 2 nd Level Stipulations (between the Petitioner and OTR)	\$ 25,619,780	\$ 422,726.37
2 nd Level Stipulation Agreements	\$ 20,805,265	\$ 343,286.87
Impact (Difference between 1 st Level Cases Appealed and 2 nd Level Stipulation Agreements)	\$ 4,814,515	\$ 79,439.50
1 st Level Cases Appealed to and decided by RPTAC	\$ 242,916,161	\$ 4,008,116.66
2 nd Level (RPTAC) Actions	\$ 238,044,050	\$ 3,927,726.83
Impact (Difference between 1 st Level Cases Appealed to RPTAC and 2 nd Level Actions)	\$ 4,872,111	\$ 80,389.83
2 nd Level Increases	\$ 2,021,175	\$ 33,349.39
2 nd Level Reductions	\$ 26,852,984	\$ 443,074.24
2 nd Level Sustained	\$ 209,169,891	\$ 3,451,303.20

Class 2 Properties (\$3 million+)

Action	Assessed Value (AV)	Dollar Value (DV) (AV ÷ 100 x 1.85)
1 st Level Cases Appealed to RPTAC (excluding withdrawn cases)	\$ 52,930,637,770	\$979,216,798.75
1 st Level Cases Appealed to RPTAC resulting in 2 nd Level Stipulations (between the Petitioner and OTR)	\$ 2,890,492,202	\$ 53,474,105.74
2 nd Level Stipulation Agreements	\$ 2,727,721,749	\$ 50,462,852.36
Impact (Difference between 1 st Level Cases Appealed and 2 nd Level Stipulation Agreements)	\$ 162,770,453	\$ 3,011,253.38
1 st Level Cases Appealed to and decided by RPTAC	\$ 50,040,145,568	\$ 925,742,693.01
2 nd Level (RPTAC) Actions	\$ 49,347,970,441	\$ 912,937,453.16
Impact (Difference between 1 st Level Cases Appealed to RPTAC and 2 nd Level Actions)	\$ 692,175,127	\$ 12,805,239.85
2 nd Level Increases	\$ 48,866,000	\$ 904,021
2 nd Level Reductions	\$ 8,469,460,395	\$ 156,685,017.31
2 nd Level Sustained	\$ 40,829,644,046	\$ 755,348,414.85

Total Number of Cases Heard per Commissioner

Full Time Commissioners

Commissioner	Regular	Other
Amato	1012	
Chan	430	1 Dissent
Jones	1,354	
Sanders	592	
Scott	1,431	
Syphax	1,108	

Part Time Commissioners

Commissioner	Regular	Other
Christensen	0	
Isaac	1,494	
Jackson	1,911	2 Dissents
Jenkins	43	
Ollivierra	2,376	
Walker	132	
Warfield	37	
Williams	568	

In addition to the standard assessment appeals, the Commission rendered decisions on appeals for Possessory Interests, Classification appeals that are not in the current tax year, and Homestead Deductions. Since these appeals are not “standard assessment appeals” and cannot be automatically placed into OTR’s tracking system, the Commission must notify OTR which manually places these decisions into its tracking system.

Major Issues Facing the Commission

As we seem to report every year, timeliness continues to be the most significant issue facing the Commission. The efforts to meet the Commission’s statutory obligations of deciding all appeal cases by February 1 of each year under time constraints that require all residential appeals to be decided within 30 days and commercial appeals to be decided within 80 days have proven to be constant challenges for the Commission. Over the past four years, the Commission has done well in meeting its February 1st deadline, but it continues to struggle to meet the 30 day and 80 day time restraints provided by statute.

The Commission considers the issue of timeliness to be one of its main objectives. However, the Commission is aware that its ability to meet its statutory deadlines is obviously contingent upon the number of appeals that are filed each year. At some point, a great number of appeals could overwhelm the Commission and make it impossible for it to complete its caseload without sacrificing some degree of quality of service and/or performance. For this reason, the Commission continues to strategize ways of accomplishing its goals without sacrificing either the quality of service or the quality of the decisions it renders through education, training, and streamlining the administrative processes.

This year, the Commission is confronting more appeals than it has had in previous years. Again, the Commission will be challenged by its caseload and will be tested in terms of how well

it can meet its statutory obligations under pressure. In order to diminish the effect of the increase in filings, the Commission started to hear cases earlier than in the past and will continue to expedite certain non-appearance residential appeal cases by assigning such cases to individual Commissioners rather than to a three-member panel which requires more time and the attendance of two more Commissioners.

Having and retaining full membership on the Commission is another issue that impacts the performance of the Commission. The Commission lost two members this year, but both vacancies are slated to be filled with two very-qualified professional real estate brokers, who understand real property valuation and have worked in the D.C. real estate market for more than 30 years. However, these new Commissioners have not yet been confirmed.

Continuing Education & Training

The Commission requires its members, both full-time and part-time Commissioners, to attend continuing education classes and training annually. Classes and training are focused on methods of real property valuation, principles and fundamentals of appraising, appraisal practices and standards, and applicable software programs.

The continuing education requirement can be met by attending classes provided by an approved professional appraiser organization, such as those sponsored by The Appraisal Foundation, or by other providers whose classes have been approved by the D.C. Board of Real Estate Appraisers or the D.C. Real Estate Commission. Another acceptable method of providing training is by having experts as guest speakers to address the Commission on pertinent issues. Online/On demand training classes also provide an effective way of getting Commissioners to fulfill their training requirements – especially for part-time members who may have time constraints during the “off season,” when training is normally scheduled. Although RPTAC rules

and regulations do not address the number of hours of training each Commissioner is required to have, the Commission expects each Commissioner to complete a minimum of 12 hours per year.

Online/On Demand Classes are allowed to be taken by Commissioners, at the Commission's expense, if the class applies to the issues, skills, and/or knowledge of real property valuation. Each Commissioner will have to provide proof of completion, such as a certificate of completion, which can be downloaded from the course provider and can bill the Commission for his/her time. If the course is identified, for example, as a 7-hour course, the Commissioner will be expected to produce a certification that states that the 7-hour course was completed. Only then will a Commissioner be able to bill the Commission for time (example: 7 hours x \$50/hour = \$350.00). The Chair of the Commission must keep a log of all training completed by each Commissioner for reporting purposes.

Major Accomplishments

The Commission continues to push for greater use of the *File & Serve* system by Petitioners. This system will improve the administrative process in the way the petitions are received, scheduled for hearing and decided; and how Petitioners are notified of the Commission's decision via on-line mailings. The system makes it easier for paperless archiving of cases without the need for physical storage space. All of the Commissioners have attended classes on how to use the service. The Commission hopes to hire, through "temp" agencies, additional personnel to serve as "court reporters;" recording the proceedings and uploading documents from the File & Serve system to television screens during the hearings. This will enable Commissioners to be more attentive to the testimony and the presentations that are given by Petitioners and their representatives during hearings.

The Commission produced two new Public Service Announcements that have been recorded by D.C. Cable Television. In the effort to improve the Commission's community outreach efforts, the Commission produced the short segments for D.C. Cable's "*Did You Know*" program and will start running the ads in February 2017. The segments inform the public of their rights to appeal their real property assessments if they have reason to believe that the value rendered by the Office of Tax & Revenue is excessive or unfair. In the past, the Commission's community outreach efforts consisted primarily of short presentations at ANC meetings. However, due to poor attendance and/or tight time schedules at the meetings, the Commission was unable to reach or adequately deliver its message to enough people to be effective.

Another accomplishment of the Commission is obtaining a legislative change with regard to the statute that requires that all Class 1 - residential property decisions (single-family dwellings and all apartment buildings) to be completed within 30 days of the hearing. The Commission was compelled to push for an extension of the decision deadline for large apartment buildings (having 5 or more units) because the rule did not acknowledge that the valuation of large apartment buildings is more complex, and require more time to review, than the review of single-family dwellings or smaller apartment buildings.

This Commission, as well as the previous Board of Real Property Assessments and Appeals (BRPAA), has operated based on the notion that Class 1 residential property included multi-family dwellings, regardless of their size or the number of units they may have. As a result, large apartment buildings, which may have hundreds, or even thousands, of apartment units, have been classified and treated the same as single-family dwellings in the appeal process, by requiring the Commission to make its decisions on such properties within the same 30-day time frame. The Commission believed that the 30-day decision deadline was not intended to be applied to large multi-family apartment buildings and the Commission did not find anything in

the legislation that specifically mandates that as a requirement. The Commission therefore took the initiative to push for a change in the statute recognizing that large residential apartment buildings are complex properties which require the same scrutiny, consideration, and expertise as large office buildings and should therefore have the same 80-day decision deadline as commercial properties have.

The Commission also noted that its performance rating for TY 2016 of completing only 65% of its decisions for Class 1 properties within 30 days would have been significantly better if large apartment buildings had an 80-day decision deadline. Of the 3,290 Class 1 cases that were appealed in TY 2016, only 641 cases were true residential cases, while 2,649 of these cases were large apartment buildings. If the law recognized the 30-day deadline for the 641 residential cases and an 80-day deadline for the 2,649 apartment buildings, the Commission would have had an 86% rating for the residential cases and 90% rating for the apartment building cases.

In support of this change, the Commission noted and relied on the former definition of Class 1 Property in the D.C. Official Code § 47-813¹, which states that Class 1 Residential Property is property that contains not more than five (5) dwelling units, whether as a row, detached, or semi-detached structure, or a single dwelling unit owned as a condominium, and is used exclusively for non-transient residential dwelling purposes. So the proposed reinterpretation of the statute to allow 80 days to decide cases involving apartment buildings of five (5) or more units is not only logical and practical, but it is also supported by prior legislation.

The Commission greatly appreciates Mayor Bowser's and Chairman Evans' efforts to secure the enactment of this desired legislation.

¹ D.C. Official Code § 47-813 (c-3)(1)(A)(ii) and (iii) for the property tax year beginning October 1, 1994, and each subsequent tax year.