



HB 343 ~ Suggestions for Addressing Perceived Abuses in the Board of Revision (BOR) Process

We believe the majority of school districts engaging in the BOR process by filing claims requesting valuation increases (or counterclaims defending the auditor's values) operate in a fair and ethical manner. Our associations oppose the proposed major changes in the process that would affect every school district regardless of prior behavior and thereby create an imbalance in the system; creating differences in how property owners and taxing entities are treated.

The following are suggestions for addressing the perceived abuses of the privilege of participating in the BOR process:

1. Boards of education (and other local government taxing entities) that intend to file claims and counterclaims to request valuation increases (to defend the auditor's values) must pass a resolution setting the parameters for the district's participation in the BOR process. The superintendent and/or treasurer/CFO must then follow the board's policy when administering the challenges and counter challenges the district files with the BOR.
2. Contracts with any agent (attorney) working on behalf of a school district or other taxing entity must include only a fee-for-service payment arrangement. There would be no contingency payments based on the results of valuation challenges.

****Note:** It is our understanding that it is customary for attorneys representing property owners to operate on a contingency basis (performance/results). We have no objection to this practice by the property owner.

3. Contracts with any agent must stipulate that no claims or counterclaims may be submitted to the BOR without prior approval by the school district administration (treasurer/CFO or superintendent, as determined by the district). The administration could be required to provide the list of properties that have been determined to warrant a challenge or counter challenge to the members of the board of education.

The following points are proposed as options for increasing awareness among property owners about the potential for property values being challenged. We believe these could be accomplished administratively and not necessary to be codified in law.

1. When a property is sold, the conveyance fee statement could include a notice that, based on the sale price of the property, the property value may be subject to review at the request of local taxing entities.
2. When a claim is submitted to the BOR by the property owner, the BOR must provide information, along with other information provided to the property owner about the ability for the affected local taxing entities to participate by filing a counterclaim.
3. When counties undergo a six-year reappraisal, notices to property owners regarding the auditor's determination of value must include information regarding the BOR process.