



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

**THE REAL PROPERTY TAX**

**APPEALS COMMISSION**

**TAX YEAR 2014  
ANNUAL REPORT**



**GREGORY SYPHAX  
CHAIRPERSON**

**RICHARD AMATO ESQ.  
VICE CHAIRPERSON**

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

**TAX YEAR 2014**

**GREGORY SYPHAX  
CHAIRPERSON**

**RICHARD AMATO, ESQ.  
VICE CHAIRPERSON**

**TY 2014 FULL-TIME COMMISSIONERS**

**MAY CHAN  
CLIFTINE JONES  
HILLARY LOVICK  
FRANK SANDERS**

**PART-TIME COMMISSIONERS**

**KARLA CHRISTENSON  
ANDREW DORCHESTER  
DONALD ISAAC  
ALVIN JACKSON  
SKIP WALKER  
SEAN WARFIELD  
TRENT T. WILLIAMS**

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**REAL PROPERTY TAX APPEALS COMMISSION MEMBERSHIP  
TY 2014**

<b>MEMBERS</b>	<b>ROLE</b>	<b>CONFIRMATION DATE</b>	<b>TERM ENDING</b>
Gregory Syphax	Chairperson	July 13, 2012	April 30, 2018
Richard Amato, Esq.	Vice Chairperson	July 13, 2012	April 30, 2015
May S. Chan	Commissioner	July 13, 2012	April 30, 2014
Cliftine Jones	Commissioner	July 13, 2012	April 30, 2018
Hillary R. Lovick, Esq.	Commissioner	July 13, 2012	April 30, 2015
Frank Sanders	Commissioner	December 4, 2012	April 30, 2017
Karla Christensen	Part-Time Commissioner	May 9, 2013	April 30, 2017
Andrew Dorchester	Part-Time Commissioner	July 13, 2012	April 30, 2014
Donald Isaac, Jr.	Part-Time Commissioner	July 13, 2012	April 30, 2014
Alvin Jackson	Part-Time Commissioner	May 7, 2013	April 30, 2016
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	April 30, 2015

**REAL PROPERTY TAX APPEALS COMMISSION STAFF**

Carlynn Fuller	Executive Director	<a href="mailto:Carlynn.fuller@dc.gov">Carlynn.fuller@dc.gov</a>
Debra Spencer	Staff Assistant	<a href="mailto:Debra.spencer@dc.gov">Debra.spencer@dc.gov</a>
Sophia Murray	Clerical Assistant	<a href="mailto:Sophia.murray@dc.gov">Sophia.murray@dc.gov</a>
Judith Brightwell	Program Assistant	<a href="mailto:Judith.brightwell@dc.gov">Judith.brightwell@dc.gov</a>

## **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, and homestead (domicile) and senior eligibility issues. This Annual Report covers the activities for Tax Year 2014.

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 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 1<sup>st</sup> Level Decision and is aggrieved by the decision, the Petitioner has 45 days from the date of the notice to appeal to the 2<sup>nd</sup> 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, seven part-time commissioners, with statutory authority to have up to eight 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 2014 Appeal Seasons Overview**

For Tax Year 2014, the Commission received three thousand three hundred and seventy (3,370) appeals. This is a decrease of ninety-seven (97) appeals from Tax Year 2013. Of these appeals, three thousand three hundred and twenty-nine (3,329) 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 two thousand one hundred and fifty (2,150) appeals, with one hundred sixty-eight (168) appeals being withdrawn, and three hundred and forty (340) were resolved by way of Stipulation Agreements between the Office of Tax and Revenue and the Petitioner. The Commission decided a total of one thousand six hundred and forty-two (1,642) appeals. Of these cases, two (2) or less than one percent (< 1%) were increased, one thousand three hundred and seventy-nine (1,379) or eighty-four percent (84%) were sustained, and two hundred and sixty-one (261) or sixteen percent (16%) were reduced.

**Tax Class 1**

<b>Action</b>	<b>Assessed Value (AV)</b>	<b>Dollar Value (DV) (AV ÷ 100 x .85)</b>
1 <sup>st</sup> Level Cases Appealed to RPTAC	\$ 2,830,545,510	\$ 24,059,636.81
2 <sup>nd</sup> Level Actions including Stipulations	\$ 2,780,602,684	\$ 23,635,122.82
Impact (Difference between 1 <sup>st</sup> Level Cases Appealed to RPTAC and 2 <sup>nd</sup> Level Actions including Stipulations)	\$ 49,942,826	\$ 424,514.02
2 <sup>nd</sup> Level Increases	\$ 523,313.00	\$4,448.16
2 <sup>nd</sup> Level Reductions	\$ 260,225,652	\$ 2,211,918.05
2 <sup>nd</sup> Level Stipulations (between the Petitioner and OTR)	\$ 202,126,909	\$ 1,718,078.73
2 <sup>nd</sup> Level Sustained	\$ 2,317,726,810	\$ 19,700,677.89

The Commission also received one thousand one hundred and seventy-nine (1,179) appeals in tax Class 2; fifty-two (52) were withdrawn and seventy-six (76) were resolved by way of Stipulation Agreements between the Office of Tax and Revenue and the Petitioner. The Commission decided a total of one thousand fifty-one (1,051) appeals. Of these appeals, three (3) or less than one percent (<1%) were increased, eight hundred and twenty-four (824) or seventy-eight percent (78%) were sustained, and two hundred and twenty-four (224) or twenty-two percent (22%) were reduced.

**Class 2 Properties (\$3 million or less)**

<b>Action</b>	<b>Assessed Value (AV)</b>	<b>Dollar Value (DV) (AV ÷ 100 x 1.65)</b>
1 <sup>st</sup> Level Cases Appealed to RPTAC	\$ 414,756,770	\$ 6,843,486.71
2 <sup>nd</sup> Level Actions including Stipulations	\$ 394,765,491	\$ 6,513,630.61
Impact (Difference between 1 <sup>st</sup> Level Cases Appealed to RPTAC and 2 <sup>nd</sup> Level Actions including Stipulations)	\$ 19,991,279	\$ 329,856.10
2 <sup>nd</sup> Level Increases	\$ 0	\$ 0
2 <sup>nd</sup> Level Reductions	\$ 75,713,371	\$ 1,249,270.63
2 <sup>nd</sup> Level Stipulations (between the Petitioner and OTR)	\$ 12,107,990	\$ 199,781.84
2 <sup>nd</sup> Level Sustained	\$ 306,944,130	\$ 5,064,578.15

**Class 2 Properties (\$3 million+)**

<b>Action</b>	<b>Assessed Value (AV)</b>	<b>Dollar Value (DV) (AV ÷ 100 x 1.85)</b>
1 <sup>st</sup> Level Cases Appealed to RPTAC	\$ 40,656,733,444	\$ 752,149,568.72
2 <sup>nd</sup> Level Actions including Stipulations	\$ 39,398,813,516	\$ 728,878,050.05
Impact (Difference between 1 <sup>st</sup> Level Cases Appealed to RPTAC and 2 <sup>nd</sup> Level Actions including Stipulations)	\$ 1,257,919,928	\$ 23,271,518.67
2 <sup>nd</sup> Level Increases	\$ 37,243,796	\$ 689,010.23
2 <sup>nd</sup> Level Reductions	\$ 8,899,215,879	\$ 164,635,493.77
2 <sup>nd</sup> Level Stipulations (between the Petitioner and OTR)	\$ 2,453,045,557	\$ 45,381,342.81
2 <sup>nd</sup> Level Sustained	\$ 28,009,308,284	\$ 518,172,203.26

**Total Number of Cases Heard per Commissioner  
(Not Including Homestead and Classification)**

**Full Time Commissioners**

<b>Commissioner</b>	<b>Regular</b>	<b>Other</b>
Amato	752	416 – Stipulations
Chan	1083	1 Dissent
Jones	517	46 Dissents
Lovick	1341	
Sanders	880	
Syphax	915	

**Part Time Commissioners**

<b>Commissioner</b>	<b>Regular</b>	<b>Other</b>
Christensen	426	
Dorchester	766	
Isaac	257	
Jackson	435	
Walker	214	
Warfield	40	
Williams	321	



In addition to the standard assessment appeals, the Commission rendered decisions on appeals for Possessory Interest; Classification Appeals that are not in the current tax year; Homestead Exemption; and New Property Owner Appeals<sup>1</sup>. Because 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**

Timeliness continues to be the most significant issue facing the Commission. The effort 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 after hearings and commercial appeals after hearings within 80 days) have proven to be constant challenges for the Commission. Although the Commission has successfully met its February 1 deadline over the past two tax appeal seasons, it continues to struggle to meet the 30 day and 80 day time restraints provided by statute.

Last year, the Commission considered the issue of timeliness to be its main objective. The Commission strategized ways of accomplishing this goal without sacrificing either the quality of service or the quality of the decisions it renders through education, training, streamlining the administrative processes, and recruiting additional part-time members to achieve full membership of (14) fourteen Commissioners.

This year, the Commission is confronting a substantial increase in the number of appeals that will further challenge the Commission’s ability to meet its statutory obligations. It appears

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<sup>1</sup> For Tax Year 2014, the Board received no Water and Sewer Special Assessments appeals.

that the number of appeals filed for TY 2015 may reach approximately 4,500 cases. This amounts to about 1,000 cases more than was filed during the previous two tax appeal seasons in 2013 and 2014. In order to diminish the effect of the increase in filings, the Commission started to hear cases earlier than in the past and plans to expedite certain non-appearance residential appeal cases by assigning them to individual Commissioners rather than to three-member panels which require more time and the attendance of two more Commissioners.

Generally speaking, the Commission's 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. This year's caseload may test the Commission ability to perform at its best.

### **Proposed Legislation Update**

The Office of the Attorney General (OAG) has prepared and has submitted legislation for the Mayor that would make the rationale of RPTAC decisions, not just their proposed valuations, appealable to the DC Superior Court. Currently, a Petitioner may appeal to DC Superior Court after the 2<sup>nd</sup> level appeal process; however, only the assessed valuation, not the RPTAC decision, is subject to appeal. The DC Superior Court has a backlog of appeals and, because the court cannot consider the rationale of RPTAC decisions but, instead, must start from scratch from the proposed assessed valuation, the backlog continues to grow.

The Office of Tax and Revenue (OTR) has prepared and has submitted legislation to the City Council that would affect certain commercial properties with specific tax use codes. These are properties required to file Income and Expense (I&E) reports with OTR by April 15<sup>th</sup>. The

deadline currently conflicts with the deadline of April 1<sup>st</sup> to file a 1<sup>st</sup> level real property tax assessment appeal. For these properties the deadline for filing 1<sup>st</sup> level appeals would be moved to a later date in order to allow OTR to receive the most recent and relevant I&E reports. The RPTAC deadline for deciding those cases would also be moved from February 1<sup>st</sup> to a later date.

### **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 which sponsor The Appraisal Foundation or by other providers whose classes have been approved by the DC Board of Real Estate Appraisers or the DC 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 10 hours per year.

Online/On Demand Classes can be taken at the Commission’s expense if the class applies to the issues, skills, and/or knowledge of real property valuation. However, the Commissioner will have to take a course that provides proof of completion, such as a certificate, which can be

downloaded from the course provider. The Commissioner will also be allowed to 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.

Since March 2014, the Commission has sponsored two separate training classes in hotel valuation which were conducted by two of the most recognized experts in the field – Mr. David Lenoff and Tom Dolan (for Stephen Rushmore). These classes were considered especially important since there continues to be great debate among experts with regard to the appropriate methodology for hotel valuation. Other courses that were taken on line included: *Appraising Assisted Living Facilities*, *The Cost Approach*, *Land & Site Valuation*, and *Appraising “Oddball” Properties*, to name a few.

### **Major Accomplishments**

Last year we reported that we had entered into a contract with File & Serve Xpress which would enable the Commission to accept appeals via electronic filing. We are excited to report that we now have the system in place and are currently using it for the tax year 2015 appeal season. The system will improve the administrative process in the way the petitions are received, scheduled for hearing, deliberated, and how Petitioners are notified of the Commission’s decision via on-line mailings on the internet. The system will also make 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 has also hired, through “temp”

agencies, additional personnel to record and upload 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 representatives during hearing.

Another major accomplishment is the production of a Public Service Announcement that has been filmed by DC Cable Television for RPTAC. In the effort to improve the Commission's community outreach efforts, the Commission produced a short segment on DC Cable's "*Did You Know*" program which will start to run in February 2015. The segment will 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. We are hopeful that our televised message will be most effective in reaching a far greater number of our citizens.