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**INDEPENDENT STATE AUDITOR'S REPORT
ON CERTAIN ACTIVITIES OF THE
APPELLATE TAX BOARD**

**OFFICIAL AUDIT
REPORT
JANUARY 16, 2007**

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The Appellate Tax Board (ATB) was established by Chapter 58A, Section 1, of the Massachusetts General Laws as a quasi-judicial agency that is exclusively devoted to hearing and deciding cases on appeal from decisions made by local and state taxing authorities. The ATB consists of five Commissioners and is organizationally placed within the Executive Office for Administration and Finance (EOAF) for administrative purposes, but is not subject to EOAF control in the conduct of its adjudicatory function.

The ATB has a large caseload. For the period July 1, 2000 through June 30, 2005, the date of the ATB's most recent annual report, taxpayers filed 29,946 appeals of taxes with the ATB. Over this same period, the ATB issued decisions in 3,622 cases, and 24,129 appeals were settled or withdrawn. As of June 30, 2005, there was an inventory of 10,484 cases.

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor (OSA) conducted an audit of the ATB to review and evaluate the ATB's case management system and its effectiveness in assisting the ATB with the management of its cases. This review was done at the request of the Secretary of the EOAF, who was unable to obtain certain information from the ATB on the status of pending cases.

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CASE MANAGEMENT SYSTEM NEEDS IMPROVEMENT TO ENSURE THAT MANAGEMENT HAS SUFFICIENT INFORMATION TO PROCESS CASES EXPEDIENTLY AND TO RESPOND TO REQUESTS FOR INFORMATION

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Our review disclosed that the ATB needs to improve its case management system (CMS) to enable management and other government officials to obtain pertinent information about its caseload.

We determined that not all of the information requested by the Secretary of EOAF could be provided by the ATB because it (1) was not available in its current CMS, (2) was not required to be submitted by the appellants, (3) required a significant manual effort to extract the data from paper case files or CMS files, or (4) needed a computer program to be developed to extract the data from the existing automated system.

To better manage its operations, the ATB needs to collect and analyze information about its inventory caseload. This will help improve its ability to manage, hear, and dispose of cases, and to fulfill its mandate and serve the public need as expediently as possible.

The ATB is currently working with the Commonwealth's Information Technology Division (ITD) to develop a new tracking system, which it anticipates will be in place by early 2007. The new system, to be successful, should include the necessary information and report generation features for tracking and managing cases; such as value of a case, assignment responsibility, the date of filing, and updated information on the current status of each case.

In response to the audit report, the ATB agreed with our assessment that the CMS is in need of replacement and indicated that it has been working with the ITD in the design of a new system that will address the underlying issues we raised.

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INTRODUCTION

Background

The Appellate Tax Board (ATB) was established by Chapter 58A, Section 1, of the Massachusetts General Laws as a quasi-judicial agency that is exclusively devoted to hearing and deciding cases on appeal from decisions made by local and state taxing authorities. The ATB consists of five Commissioners and is organizationally placed within the Executive Office for Administration and Finance (EOAF) for administrative purposes, but is not subject to EOAF control in the conduct of its adjudicatory function. The ATB, with the advice and consent of the Governor's Council, has hired a sixth member on a full-time temporary basis to hear cases.

The purpose of the ATB is to hear taxpayer (appellant) appeals for abatements of property taxes, personal taxes, and motor vehicle excise taxes that have been denied by a local Board of Assessors (appellee). ATB also hears appeals from taxpayers denied abatements of income, estate, sales, use, and other taxes by the Department of Revenue (DOR). Although all decisions of the ATB are binding on both the appellant and appellee, under specific rules of Chapter 58A, Section 13, of the General Laws, certain decisions may be appealed to the Massachusetts Appeals Court or the Supreme Judicial Court.

The ATB was created to relieve the Superior Court of the large volume of tax appeals and to provide taxpayers with a less expensive and faster means of appeal than provided by the court system.

The ATB has a large caseload. For the period July 1, 2000 through June 30, 2005, the date of the ATB's most recent annual report, taxpayers filed 29,946 appeals of taxes with the ATB. Over this same period, the ATB issued decisions in 3,622 cases, and 24,129 appeals were settled or withdrawn. As of June 30, 2005, there was an inventory of 10,484 cases. See the Exhibit appended to this report (page 14).

In a letter to the Secretary of EOAF, the ATB provided the following breakdown of its active case inventory as of June 7, 2006.

Case Type	Aging of Active Caseload				Total
	Filed Cases Prior to 6/30/03	Filed Cases from 7/1/03 to 6/30/04	Filed Cases from 7/1/04 to 6/30/05	Filed Cases from 7/1/05 to 6/7/06	
State Tax	104	135	202	381	822
Property Tax	<u>1,320</u>	<u>1,300</u>	<u>2,938</u>	<u>2,585</u>	<u>8,143</u>
Total	<u>1,424</u>	<u>1,435</u>	<u>3,140</u>	<u>2,966</u>	<u>8,965</u>

Audit Scope, Objectives, and Methodology

In accordance with Chapter 11, Section 12, of the General Laws, the OSA conducted an audit of the case management system (CMS) at the ATB. The Secretary of EOAF requested assistance from our office in obtaining certain data from the ATB's CMS. Although the Secretary had previously requested information from the ATB, the ATB could not provide EOAF with all of the requested information because the ATB did not maintain the requested information for all its cases.

Our audit was conducted in accordance with applicable generally accepted governmental auditing standards and, accordingly, included audit tests and procedures that we considered necessary. We audited case file information as of June 28, 2006. The purpose of our audit was to review and evaluate the ATB's CMS to obtain information to assist the Secretary of EOAF.

Our main objectives were to review and evaluate the ATB's CMS and to obtain information on the status of pending cases and its effectiveness in assisting the ATB with the management of its caseload.

To accomplish our objectives, we conducted interviews with management and reviewed the appeal process and the CMS. We examined cases and information that were included in the ATB's reply to the Secretary as of June 28, 2006. We also obtained and reviewed supporting documents and performed tests to compare the type of information submitted during the appeals process to the information entered into the CMS.

Our audit indicated that improvements are needed in the CMS as disclosed in the audit results section of this report. For all other areas tested, ATB was in compliance with applicable laws, rules, and regulations.

On August 14, 2006, a new Chairman and Chief Counsel were appointed to the Appellate Tax Board and participated in the audit from that day forward.

AUDIT RESULTS

CASE MANAGEMENT SYSTEM NEEDS IMPROVEMENT TO ENSURE THAT MANAGEMENT HAS SUFFICIENT INFORMATION TO PROCESS CASES EXPEDIENTLY AND TO RESPOND TO REQUESTS FOR INFORMATION

The Appellate Tax Board (ATB) needs to improve its case management system (CMS) to enable management and interested parties to obtain analytical information about its caseload. The ATB needs to improve and enhance certain caseload information requested by the Secretary of the Executive Office for Administration and Finance (EOAF) that may assist the ATB and others in determining in more detail the status of cases. Some information requested by the Secretary could not be provided because it (1) was not available in the CMS, (2) was not required to be submitted by the appellants, (3) required significant effort to extract from paper files and the CMS files, or (4) needed a computer program to be developed to extract the data from the system.

As of June 7, 2006, the CMS indicated a case inventory of 8,965 cases, which consisted of 8,143 appeals from communities for property taxes and 822 appeals from the Department of Revenue (DOR) for state taxes.

In a letter dated May 26, 2006, the Secretary of the EOAF requested the following information from the ATB:

So that my staff and I may have a better understanding of the actual size and composition of the ATB's caseload backlog, I am requesting the following information:

- *The total number of active cases currently filed with the ATB to date, with a breakdown of those which are state tax cases and those that are local property tax cases.*
- *In terms of this breakdown, please provide the dates when these cases were first docketed [filed], the number of cases for which continuances have been granted and their present status. Please be sure to note the commissioner to whom these cases have been assigned. Based on the date when first docketed, please provide a spreadsheet listing those cases which are older than one year, older than two year, and older than three years.*
- *Also, please provide the monetary amount (if any) relative to each overdue case, as well as the total monetary amount for all overdue cases.*

Any additional information which you deem pertinent to determining the size and extent of the Board's backlog would be appreciated.

On June 7, 2006, the ATB provided the Secretary with an aged breakdown of active state and local cases, the date that the cases were first filed, and their present status. However, the ATB noted that it could not easily provide monetary values, continuances, and the Commissioner to whom each case was assigned. The ATB responded:

With regard to continuances and the monetary amounts associated with certain aged cases please be advised that the current case docketing system is antiquated, and has no ability to compile such information in a selective manner.... the case record for each matter must be reviewed and the results manually tallied.

As to the commissioner to whom each case has been assigned, it is the practice of the Board for the Chair to assign cases on the date of hearing.

The Chair indicated that it provided information that was reasonably available. The ATB did not provide information requested by the Secretary “pertinent to determining the size and extent of the Board’s backlog.” However, the ATB did provide an aged list of cases as requested by the Secretary. As a result, the Secretary requested the Office of the State Auditor’s assistance in securing all of the critical data sought from the ATB.

Our audit confirmed that a complete response to the Secretary’s request would require significant time and manual effort to identify the Commissioner that each case was assigned to, as well as the writing of a software routine to extract some continuance information, or to tally the case record to provide continuances granted. A monetary value, other than the assessed value, could not be provided because it was not in the CMS, nor was it consistently available in the paper file.

The CMS is a database software package purchased in 1992. The information entered into the CMS for a local property tax case is as follows: docket number, date filed, county, current status, status date, date of most recent scheduled hearing, assessed value, appellant and appellee names and addresses, and appellant and appellee representative(s). The same basic information such as dates, names, addresses, etc. is entered for a state tax case, the major difference being the tax type, and value (if provided by appellant). In addition, the CMS contains a date and “action field,” in which a chronology of the case activity and actions are recorded. The status of cases is updated on the database as activity occurs. The Commissioner who heard the case is entered at the conclusion of the case. The ATB can generate reports and do some analysis of information contained in a “dynamic extract”

section of the CMS such as dates, names, and assessed value. The information recorded in the action field is not in the dynamic extract section; therefore, the ATB personnel were unable to analyze it.

The ATB needs to be able to collect and analyze information about its inventory caseload to permit it to better manage, hear, and dispose of cases, and to fulfill its mandate and serve the public need as expediently as possible.

The effect of not capturing and producing analytical data about the caseload is that the information is unavailable for management and other parties interested in the ATB caseload or the disposition of taxpayer appeals.

For instance, the ATB has explained that some issues affect a number of cases, such as the property tax case of utility companies whose property crosses community and county lines, or a state tax issue affecting financial institutions. It is generally understood that settlement of the property tax rate for a utility company case will eliminate appeals from many communities. However, the ATB's CMS does not track related cases to provide management with a sense of the number of cases that will be affected with resolution of one property tax case or a major tax issue.

Our review found that the design of the CMS did not permit production of all detailed queries as requested in the letter from EOAF. With regard to the Secretary's request for monetary value associated with each case, continuances, and the commissioner to whom each case was assigned, we observed that:

- the only value entered in the CMS with any consistency was the assessed value,
- continuances are noted in the action field only, and
- the Commissioner to whom each case was assigned was not entered into the CMS until the case has been heard and is awaiting a decision.

Monetary Value

The only monetary value recorded in the CMS is the assessed value. During the course of our audit, the ATB produced a CMS listing of each case's assessed value. The total value for all cases amounted to nearly \$52 billion. There was no information in the CMS of the

fair market value, amount of abatement requested, tax rate per \$1000, or partial abatements by a community or DOR. Similarly, other than the assessed value, there was no consistent value noted in the paper file for all cases.

We reviewed state and local pending cases appearing on the aged listings provided by the ATB to the EOAF and compared the nature and type of information and records contained in the paper file folder with the information in the CMS to determine whether available file information could have been recorded in the CMS. Our review disclosed that the data collected for property tax cases differs from that collected for state tax cases, as well as for formal versus informal and small claims cases. The ATB does not require an appellant to disclose a disputed amount when filing the appeal. In some cases the appellant does provide the disputed amount or fair market value, but there is no data field for either type of information in the CMS.

The ATB has designed petition forms for appellants' use for formal and informal property tax appeals and for formal and small claims state tax appeals. Although the petition forms provide for the appellant to enter the assessed value, tax rate/\$1000, partial abatements by communities or the DOR, and for informal local property cases representing the appellant's claim of fair cash value, there is no provision in the CMS to record any amount other than the assessed value. Chapter 58A, Sections 7A and 7B, of the General Laws allow for an informal procedure for real estate abatements and a small claims procedure for the abatement of any tax or excise. The intent of the informal and small claims processes is to expedite the hearing process by allowing, to the extent practicable, the suspension or elimination of formal rules of pleading practice and evidence. These sections require the appellant to file a written statement of the facts in the case and the "amount claimed in abatement." Although the statute and 831 Code of Massachusetts Regulations (CMR) 1.06 and 1.07, Appellate Tax Board Rules of Practice And Procedure, require the appellant to state the "amount claimed in abatement," there is no provision to record such an amount on the ATB petition forms or in the CMS. The ATB produced CMS reports of assessed values for pending cases that amounted to nearly \$52 billion. However, by not recording other pertinent information such as the tax rate and claimed fair market value in the CMS, there can be no calculation of a potential abatement value (amount claimed in abatement);

nor is there a basis against which to compare the assessed value or to report analytical information to interested parties.

Commissioners have questioned the need to capture the fair market value (FMV) or amount claimed for abatement for inclusion in the CMS. They indicated that the FMV will be determined at the hearing and that the appellant often doesn't know the FMV at the time of filing. They also indicated that the appellant has a statutory time frame in which to appeal to the ATB and may be unable to determine the FMV in a timely manner when petitioning for a hearing. Commissioners further cited the expense of appraisals constricting an appellant's ability to provide the FMV at the time of filing. The Chair indicated that to the extent that the public or outside governmental agency is interested in this information, the Commissioner of Revenue's Division of Local Services is responsible for maintaining such data. However, if outside governmental agencies, such as the Secretary of Administration and Finance, are interested in data affecting the ATB cases, it will not find that specific information at the DOR. With a better CMS, the ATB could also provide important and valuable information to DOR about abatements brought about through the ATB appeals process and the communities involved. Although the timeframe for filing may place constraints on an appellant, the ATB certainly has it within its power to recognize a timely filing and allow the FMV or amount claimed in abatement to be supplied soon thereafter. Certainly the appellant will need to provide evidence to the ATB of the FMV to prove his or her case. The fact that appellants had entered the FMV on informal and small claims forms that we reviewed is an indication that the information may not be so difficult to provide, especially for smaller cases. Larger, more complex cases may pose more difficulty in determining the FMV, but it does eventually need to be determined. The ATB should consider entering FMV into the CMS. At the very minimum, an amount claimed in abatement for informal and small claims cases and the FMV determined as a result of hearings should be entered.

Continuances

As indicated previously, the continuances are recorded in the action field, which the ATB is unable to query to extract the number of continuances for each case. Furthermore, the wording of the action recorded in the chronology may not always indicate "continuance,"

which makes it difficult to identify a requested continuance. For example, the CMS will display an entry “hearing scheduled for February 13, 2006.” The next entry will be “scheduled for hearing June 8, 2006.” Although it is not evident from the explanation cited, a review of the paper file indicated that the parties requested a continuance.

The ATB requested that the company that installed the CMS assist it in determining the continuances granted by case. The report was not available as of the conclusion of our fieldwork. However, the company had completed its programming and the ATB was working with the Information Technology Department (ITD) to facilitate the company’s access to, and transfer of, the program to the CMS so that the ATB could run the program against its database. The report is expected to provide a count of continuances for each case. Because of the manner in which continuances are entered or inferred in the system (i.e., the word continuance may not appear in the chronology), it will be necessary to test or verify the report generated by the new program.

The alternative method for determining the number of continuances is to manually review the chronology of each case and tally the number of continuances. Considering the number of cases, this effort would not be efficient.

The ATB should record continuances in the CMS in a manner that will permit analysis and a clear indication of the number and type of continuances for each case when needed.

Cases Assigned to Commissioners

Additionally, we confirmed that the Chair designates the Commissioner to hear a case on the day before or the day of the hearing. Commissioners are not assigned well in advance to a case because so many cases are settled or withdrawn. The Chair conducts all motion hearings. In the early phases of an appeal, different commissioners may conduct hearings on the same case for case-related issues such as evidence, interrogatories, or some other matter. The Commissioners assigned to these hearings will not be noted in the CMS. The Commissioners hold weekly meetings to discuss decisions, administrative actions and case management. Once all preliminary matters are resolved, the case will move forward for final consideration. On the day before the final hearing, a Commissioner will be assigned and remain involved until the case’s conclusion. When the case reaches a “ready for decision

status,” the Commissioner will be recorded in the CMS. In order to determine the Commissioner assigned to hear each case’s issues prior to a case reaching decision status, a case-by-case review of each case’s file-folder contents is required.

The ATB provided a listing of fiscal year 2007 cases by each Commissioner awaiting a decision. The listing was prepared independently of the CMS from a simple word processing file. At the conclusion of a hearing, the clerk responsible for the case informs the Operational Director of the case’s conclusion. The Operational Director records the information in a separate word processing file created to record decisions by Commissioner for the fiscal year. The file contains the docket number, appellant, appellee, record close date, and a notation as to whether the case was decided. It is not a file that can be queried; it is purely a typed listing. Listings are available back to fiscal year 2000. The CMS can also produce a report of cases awaiting decisions by Commissioner.

Other Information

The ATB does not have any CMS reports that will assist in understanding the ATB “backlog” or, more precisely, whether there is a backlog. The ATB does not identify a backlog and generally refers to all cases as the case inventory. Regarding older cases, ATB cites “Rule 21 ” as allowing up to three years to hear a case. Rule 21 refers to 831 Code of Massachusetts (CMR) 1.21, Dismissal of Settled and Old Appeals, which provides for cases to be heard up to three years before reverting to an inactive status. Under the rule, if the appellant or appellee does not seek to reactivate the case within the next year, the case will be dismissed. Approximately 202 active cases in the ATB’s inventory were filed at least four years ago. The oldest state tax cases were filed in 2000, while the oldest local tax cases were filed in 1999.

The ATB could not explain why the cases have not been settled, and stated that some cases are related and may be heard together (i.e., utility company cases that affect many communities’ assessments and state tax cases affecting financial institutions and other state tax cases). However, the CMS does not identify related cases. The ATB indicated that related cases are readily identifiable by the Board and are easily tracked even though the computerized CMS may be unable to generate a report of such cases. Commissioners explained that the identification of related cases is an appellant’s responsibility and that

Commissioners learn at a particular case hearing whether there are related cases. There are no reports or listings by appellant, appellee, property address, cases awaiting documents, continuances, similar tax issues, unassigned/assigned to commissioner, etc. The CMS can generate reports for some of this information, but the content of the CMS database would require the capture of additional values and/or an extensive manual analysis to produce other reports.

New Case Management System

The ATB is working with the Commonwealth's ITD to develop a new CMS. The new system is in the beginning stages and is expected to allow the ATB more flexibility to analyze information. The ATB and ITD have developed the objectives for the database and anticipate having the new system in place by early 2007. ITD will help in the design and installation of the system. The ATB should ensure that the system is capable of generating management and informational reports. It should not simply be a mirror of the current CMS installed in 1992. The system should be designed to capture amounts and case activity in a manner that allows analysis.

The ATB needs to be able to collect and analyze information about its inventory caseload to permit it to better manage, hear, and dispose of cases, and to fulfill its mandate and serve the public need as expediently as possible.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its volume entitled "Internal Control—Integrated Framework" states that:

The quality of the system-generated information affects management's ability to make appropriate decisions in managing and controlling the entity's activities. Modern systems often provide on-line query ability, so that the freshest information is available on request.

It is critical that reports contain enough appropriate data to support effective control. The quality of information includes ascertaining whether:

content is appropriate—Is the needed information there?

Information is timely—Is it there when required?

Information is current—Is it the latest available?

Information is accurate—Is the data correct?

Information is accessible—Can it be obtained easily by appropriate parties?

All of these questions must be addressed by the system design. If not, it is probable that the system will not provide the information that management and other personnel require.

Recommendation

The ATB should continue to work with ITD to ensure that the new CMS is capable of generating informational reports needed for management of the case inventory or requested by interested third parties. To this end, the ATB should consider requiring all appellants to submit additional monetary values for each case when appeals are filed with the ATB. The “amount claimed in abatement” as required by Chapter 58A, Sections 7A and 7B, of the General Laws and 831 Code of Massachusetts (CMR) 1.06 and 1.07 pertaining to the informal and small claims processes should be required information to be submitted and captured in the CMS. Case continuances should also be captured in a data field that will permit their analysis. The Commissioner to whom a case is assigned should be entered into the CMS at the time that the Chair assigns a case for hearing so that the information will be available. The FMV decided during the hearing process should be entered in the CMS.

Auditee’s Response

The Chair of the ATB responded to the audit report as follows:

The ATB Commissioners through their weekly meetings discuss decisions, administrative actions of the Board and case management. To the extent that the Board can influence the behavior of individual litigants, cases are consolidated, settled or put on hold while “lead cases” on the same issue are moved forward. While the Board can control certain activities of the litigants, it is not always able, because of statutory restrictions as well as logistical problems, to mandate that all cases proceed in the most time efficient manner. Discovery disputes, pretrial motions, availability of witnesses and a host of other considerations all affect the scheduling of cases and inventory management. As I have indicated board members do meet weekly to discuss case management and recurrent issues within the parameters of the applicable statute and previously adopted rules and regulations.

On August 14, 2006 I took over as Chairman of the Board. In response to several concerns articulated by the Secretary of Administration, I and the other Commissioners, legal and administrative staff have reviewed all of our systems and to the extent possible have already implemented new procedures and have embarked on new initiatives designed to improve the processing and decision of thousands of appeals. Those include revising our rules and applicable regulations as well as to use pretrial and status conferences to fast track major cases for prompt resolution.

There is nothing intrinsically wrong with issuing a continuance. Almost all continuance requests are assented to by both parties. There is little reason for the Board to look behind a joint continuance request; the logical inference the Board draws is that neither party is ready for trial and/or the parties are pursuing a settlement. Obviously it is not possible for the Board to hear and decide 10,000 cases in one year. The Board has to rely to a certain extent on the litigants to move the cases. The Board can exert pressure and cajole the parties, as well as actively mediate cases, which it does on a day-to-day basis. That said, however, it would be counterproductive for the Board to exert pressure on parties to try cases that are less than two years old. What the Board does do, through its administration of motions and discovery, is facilitate the settlement, mediation or ultimate litigation of the cases. In the course of the year the Board hears and decides thousands of jurisdictional, procedural and discovery motions. While these motions do not appear completely in the final decision statistics, they are nonetheless integral to the management and resolution of cases.

As to assigning cases to hearing officers, most single member and single-family residential property tax case assignments are done on the day before or the day of the hearing. Because so many of these cases settle at the last minute, it is not realistic or cost effective to assign a Commissioner well in advance to a case which, in the vast majority of instances, will be ultimately settled or withdrawn. The Board needs the flexibility to move Commissioners around on the day of hearing so that all cases that are ready to proceed go forward in a timely manner and thus avoid having litigants, who take time off from work, sit around waiting for a Commissioner to hear their case.

We have previously discussed the difficulties with requiring taxpayers, particularly those filing formal appeals, to provide at the time of filing the amount of the abatement they are seeking. Although this information can be determined for informal appeals from the information requested on the Board's suggested informal appeal form, the Board believes that a standard unit of comparison available in both formal and informal property appeals, i.e. the assessed value of property, provides more meaningful information for purposes of analyzing the Board's case inventory. In almost all cases, the deviation from the assessed value is less than twenty percent.

Finally, we agree with your assessment that our current case management computer system is in need of replacement. We have been working with ITD in the design of a new system with better reporting functions, which will address the underlying issues you have raised concerning the ability of the Board's management and others to analyze the Board's case inventory. In addition, our amendment of our pretrial discovery and status conference rules will provide another effective management tool.

Auditor's Reply

We acknowledge that the Commissioners manage cases through weekly meetings and have particular knowledge of each case as supported by the case folder. Our focus, however, has been on the information the Secretary requested and whether the ATB was easily able to provide it using information contained in CMS. Case management and available

information can be greatly improved by an enhanced CMS that captures and permits greater analysis of case information. Regarding continuances, we agree with the Commissioners that there is nothing wrong with issuing continuances. However, the ATB was unable to identify the number of cases for which continuances had been granted. The focus of our remarks was to confirm the ATB's response to the Secretary that "the case docketing system is antiquated and has no ability to compile such information." In consideration of this weakness in the system, the ATB should ensure that continuances are captured in the new system in a field that will permit their analysis by case.

Regarding the ATB belief that the assessed value provides more meaningful information for purposes of analyzing the Board's case inventory than the amount of abatement being sought, the assessed value is much more meaningful when compared to other substantive data. All of these amounts (FMV, assessed value, amount claimed in abatement) are more meaningful in relation to each other, the communities, appellants, representatives, and tax type. The value of appellants' property on appeal was assessed at \$52 billion. The assessed value is required to calculate the fee appellants will pay at the time of filing. Other amounts should be captured in the CMS to aid commissioners and have information readily available when required, and that will permit comparative analysis. The amounts should be entered into the system, whether the amounts are obtained when the case is filed, determined through the hearing process, or by settlement/agreement of the parties.

We agree that the thousands of motions the ATB hears and decides that do not appear completely in the decision statistics are integral to the management and resolution of cases. While we didn't make a point of the ATB's inability to track this information in the system, it is unfortunate and a disservice to itself and interested officials not to do so. The ATB should seriously consider capturing all relevant data related to cases in its new case management system database.

EXHIBIT

Appellate Tax Board Inventory of Cases

July 1, 2000 to June 30, 2005

Property Tax Cases

<u>Year</u>	<u>Pending Cases</u> <u>July 1</u>	<u>Add Cases</u> <u>Entered</u>	<u>Total Inventory</u>	<u>Less Settled or</u> <u>Withdrawn</u>	<u>Balance Pending</u>	<u>Decisions</u>	<u>Pending Cases</u> <u>June 30</u>
2001	7,700	4,199	11,899	5,466	6,433	742	5,691
2002	5,691	5,039	10,730	5,551	5,179	517	4,662
2003	4,662	6,456	11,118	4,122	6,996	692	6,304
2004	6,304	4,395	10,699	3,466	7,233	797	6,436
2005	6,436	<u>7,780</u>	14,216	<u>3,927</u>	10,289	<u>566</u>	9,723
		<u>27,869</u>		<u>22,532</u>		<u>3,314</u>	

Commissioner of Revenue

<u>Year</u>	<u>Pending Cases</u> <u>July 1</u>	<u>Add Cases</u> <u>Entered</u>	<u>Total Inventory</u>	<u>Less Settled or</u> <u>Withdrawn</u>	<u>Balance Pending</u>	<u>Decisions</u>	<u>Pending Cases</u> <u>June 30</u>
2001	589	544	1,133	397	736	83	653
2002	653	344	997	450	547	42	505
2003	505	465	970	343	627	52	575
2004	575	358	933	227	706	53	653
2005	653	<u>366</u>	1,019	<u>180</u>	839	<u>78</u>	761
		<u>2,077</u>		<u>1,597</u>		<u>308</u>	

Combined

<u>Year</u>	<u>Pending Cases</u> <u>July 1</u>	<u>Add Cases</u> <u>Entered</u>	<u>Total Inventory</u>	<u>Less Settled or</u> <u>Withdrawn</u>	<u>Balance Pending</u>	<u>Decisions</u>	<u>Pending Cases</u> <u>June 30</u>
2001	8,289	4,743	13,032	5,863	7,169	825	6,344
2002	6,344	5,383	11,727	6,001	5,726	559	5,167
2003	5,167	6,921	12,088	4,465	7,623	744	6,879
2004	6,879	4,753	11,632	3,693	7,939	850	7,089
2005	7,089	<u>8,146</u>	15,235	<u>4,107</u>	11,128	<u>644</u>	10,484
		<u>29,946</u>		<u>24,129</u>		<u>3,622</u>	