



# El Dorado County Assessor 2009/2010 Budget

June 8<sup>th</sup> , 2009

Tim Holcomb, Assessor

**Starting From Zero**

**Current Status**

**Looking Ahead**

# Starting from Zero

- The office of the Assessor is provided for by Article 11 of the State Constitution. The charge of the office is contained in Article XIII, which states:
  - *Unless otherwise provided by this Constitution or the laws of the United States.*
  - *(a) All property is taxable and shall be assessed...*
  - *(b) All property so assessed shall be taxed....*
- The Assessor's duty is to discover, inventory, appraise and assess all taxable property within the county according to the laws of the State of California.

# What We Do

- **Discovery** and **Inventory** are by nature labor intensive, whether it involves reviewing electronic data, processing parcel maps, generating correspondence or processing property statements. Accuracy in these two functions is critical to avoiding inaccurate appraisal and assessment
- **Appraisal** requires value judgment from a certified appraiser, who not only responds to inquiry, but also defends the work at appeal hearing if necessary
- **Assessments** There is some opportunity for efficiencies through automation of value entry and other data related tasks that could be performed by the Appraisers in a paperless processing environment
- **IT & GIS** Succession planning for the retirement of a long term employee in this area has been initiated and also presents an opportunity for savings

# What We Do

- The Assessor annually produces the regular secured and unsecured assessment rolls, currently \$28 billion. The 2008/2009 secured and unsecured rolls generated about \$286 million in property taxes.
- Each year, the Assessor turns the completed roll over to the Auditor, who calculates each property tax bill. The calculations are then given to the Tax Collector, who produces and mails the bills, then collects, deposits and accounts for the payments. These activities are collectively referred to as “Property Tax Administration”
- Throughout the course of the year, the Assessor also produces the supplemental roll assessments and processes various corrections and escape assessments to the rolls caused by additional information from property owners and other miscellaneous changes.
- Along with the Assessment Appeals Board and County Counsel, the Assessor resolves all assessment appeals.



# Revenue

- Departmental revenue is from three principal sources.
  - Five percent of all supplemental taxes are distributed among the three property tax administration department to offset the cost of supplemental assessments.
  - Each of the individually billed timeshare intervals pays about \$12; again this revenue is allocated to the three property tax administration departments.
  - The Assessor also generates some annual revenue from the sale of assessment data. This is collected in a special revenue fund under the provisions of §408.3 of the Revenue & Taxation Code.

# Current Status

- We are in the process of preparing the 2009/2010 unsecured roll, which we will turn over to the Auditor on July 1<sup>st</sup>, and the secured roll, which we will turn over on July 31<sup>st</sup>.
- We have recently uploaded the first round of Prop 8 reduced assessments. Over 16,500 parcels have been reduced a total of \$1.675 billion. Approximately 4,000 – 6,000 parcels still require review. By comparison, 10,000 parcels were lowered by about \$1 billion for the 2008/2009 roll.
- We are still processing the 2009/2010 roll. We are increasingly concerned that the roll will not show an increase and that a decrease is possible.
- We are also still processing the recovery of homes and property damaged in the Angora fire. 75 homes have been completely rebuilt, and about 100 are in some state of reconstruction

# Current Status

- We have met the challenges of staff reductions through increased use of automation and extra help appraisers.
- A team was assembled and developed the process used to determine how much assessments should be lowered. Although this process relied heavily on automation, there was also substantial review by certified staff to insure that the results reflected the market value as accurately as possible.
- The extra help appraisers have generated over \$1 million in taxes and about \$250,000 in general fund revenue at a cost of about \$40,000.
- Our partnership with the County Surveyor in bringing GIS technology into our office is an example of innovative cross departmental problem solving that is both efficient and effective



# Looking Ahead

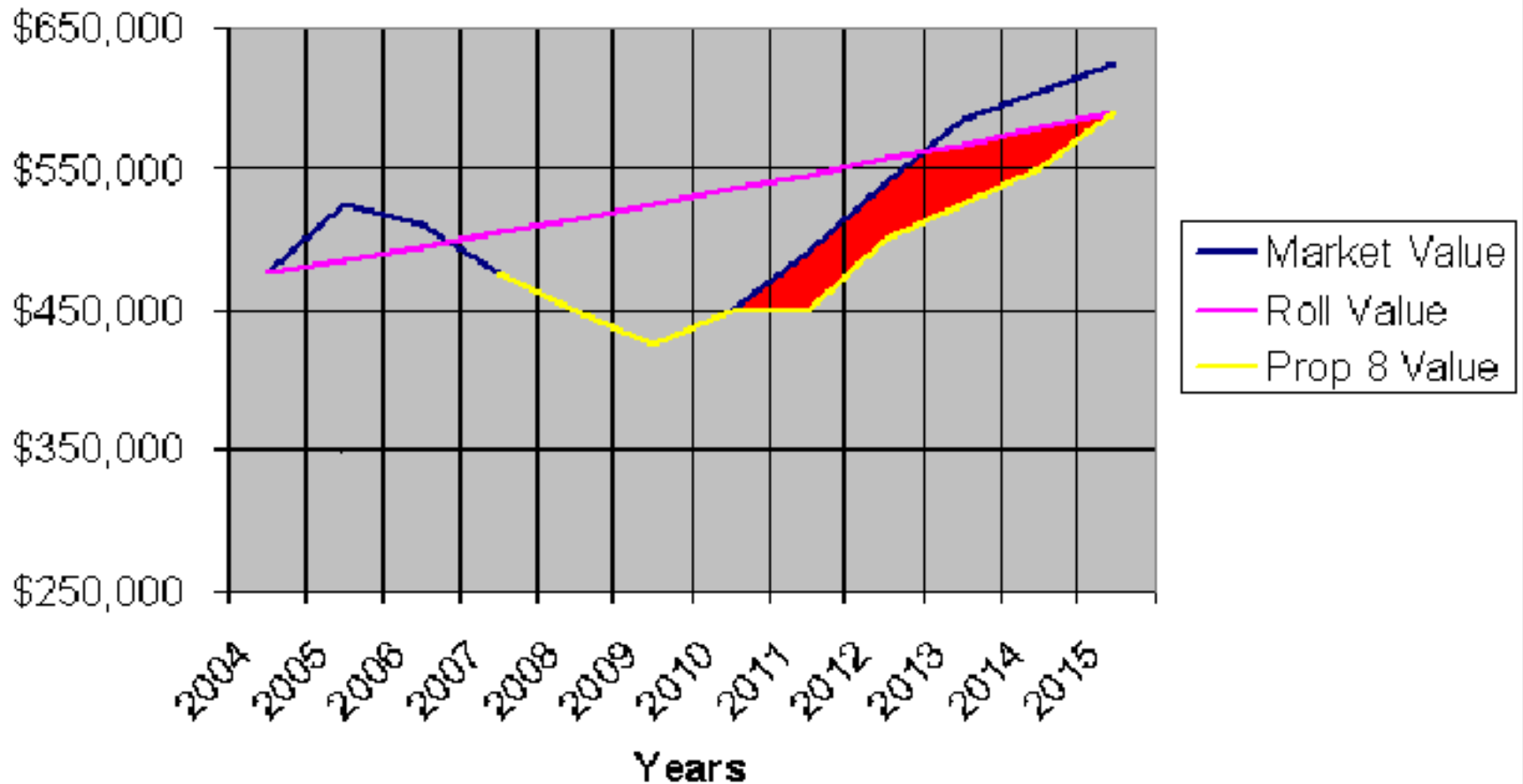
- We have met the CAO's budget target.
  - There is no provision for extra help appraisers. Depending on market activity, there is the potential that we will be requesting additional funding at mid year.
  - Our office has five staff that voluntarily took a 20% reduction to save a co-worker from lay off. We would like them exempted from furlough. We are willing to find additional savings to make up the difference.
- We fully expect more challenges
  - As we depend more and more on technology to meet these challenges, it is critical that the Assessor have the support and cooperation of the Board and the CAO in implementing solutions that best position the department to meet these challenges.

# Looking Ahead

- El Dorado County is scheduled for a State Board of Equalization Sample & Survey beginning in October 2009
  - The outcome of this audit determines the county's eligibility for the 5% of supplemental taxes.
  - To continue eligibility, the Assessor's value of sample properties must be within 5% of the value as determined by SBOE Appraisers.
- The market will recover
  - There is a statutory requirement to annually review properties under a Prop 8 lowered assessment. The area in red in the following chart represents a potential revenue loss. Adequate staffing will be critical to minimize this revenue loss.

# Potential Revenue Loss

## Assessments under Prop 8





# Questions ?