Pen forum 7/21/2020



County Commissioners Meeting Submitted for the Clerk of the Board to Read into Record and Provide to all Commissioners and Administrator

Increasing Tax Revenue by Identifying Unpermitted Construction and Lost Taxes

Supervisors, I'm grateful for your time today which I know is limited, so I'll do my best to be succinct. My name is Dustin Reilich of Deckard Technologies, Inc.

Deckard Technologies partnered with Greg Smith, who served as San Diego County's Assessor for over 25 years, to identify and solve a major gap in the assessment process. A gap that severely impacts the county's ability to fairly and equitably assess property values and burdens some residents with a higher share of property taxes, while allowing others, many of whom reside outside of the community, to underpay property taxes while enjoying all the benefits those taxes allow.

Property Insight is a service that utilizes huge amounts of publicly available data, machine learning and numerous analytical algorithms to identify properties with *unpermitted construction*...properties that are currently *undetectable* by the county assessor, absent Property Insight's proprietary platform which forensically identifies unpermitted construction through the use of real estate data, long term rentals and short term vacation rental identification.

So here you are...ever challenged with this delicate balance of rightly serving the needs of your county constituents without, preferably, adding to their tax burden. The fact is, landlords and homeowners are *legally required* to pull permits, allow for safety inspections, and receive approvals before completing any new construction on a property. **Why don't they?** Simple – it's <u>to avoid</u> paying taxes. But it's a *victimless* violation, right?

Absolutely not – it ends up being the honest taxpayers who subsidize these *non-permit-pulling* landlords and homeowners via new tax burdens required to fund schools, local police, firefighters and other community services.

Supervisors, **I'm not here today with a** *problem* or *to complain*. On the contrary, I'm here with a viable solution. We've already conducted the research to identify properties with unpermitted construction which could net your County *over \$1,000,000* in newly found, legally owed, omitted tax revenue. Our service *costs you nothing*. We earn *our* keep...only after <u>you</u> collect *your* rightful tax revenue.

I'm simply submitting this letter to request that the County Supervisors help with the County Assessor to set a **15 to 20-minute call**. I have attached a one pager on our product and would like the opportunity to **provide greater detail**. Thanks for your consideration.

Dustin Reilich VP Government Relations Deckard Technologies, Inc. www.deckardtech.solutions (949) 701-0501

PropertyInsight Helps Counties Recover Lost Taxes





Property tax is the largest source of revenue in many counties and municipalities.



Property tax revenue from single family homes in the US.

50%

Over 50% of residential construction unpermitted nationwide.

PROBLEM The County and municipality have very

limited ability and resources for cases where permits are not pulled.

The assumption is eventually, proper ies would be sold, and the assessed value would adjust based on the market value.

Homeowners are holding onto poperties longer.



Now 8-10 Years

\$259B Spent on Remodeling Instead of Moving

Single Family Homes Comprise **40%** of **Rental Units**

Unpermitted construction illegall evades tax increases, leaving counties with budget shortfalls to at either reduce services or cause other tax increases on the constituents.



SOLUTION

- We provide all backup information to the Assessor's office, including timeline and photo evidence of work performed.
- The Assessor can levy an 'escape assessment', requiring back taxes on the unpermitted construction, going back as far as 8 years.

Deckard Technologies identifies properties with unpermitted or

We charge a percentage of additional tax dollars recovered, but may also utilize a flat fee per data model.

unasses ed construction.

CONTACT

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