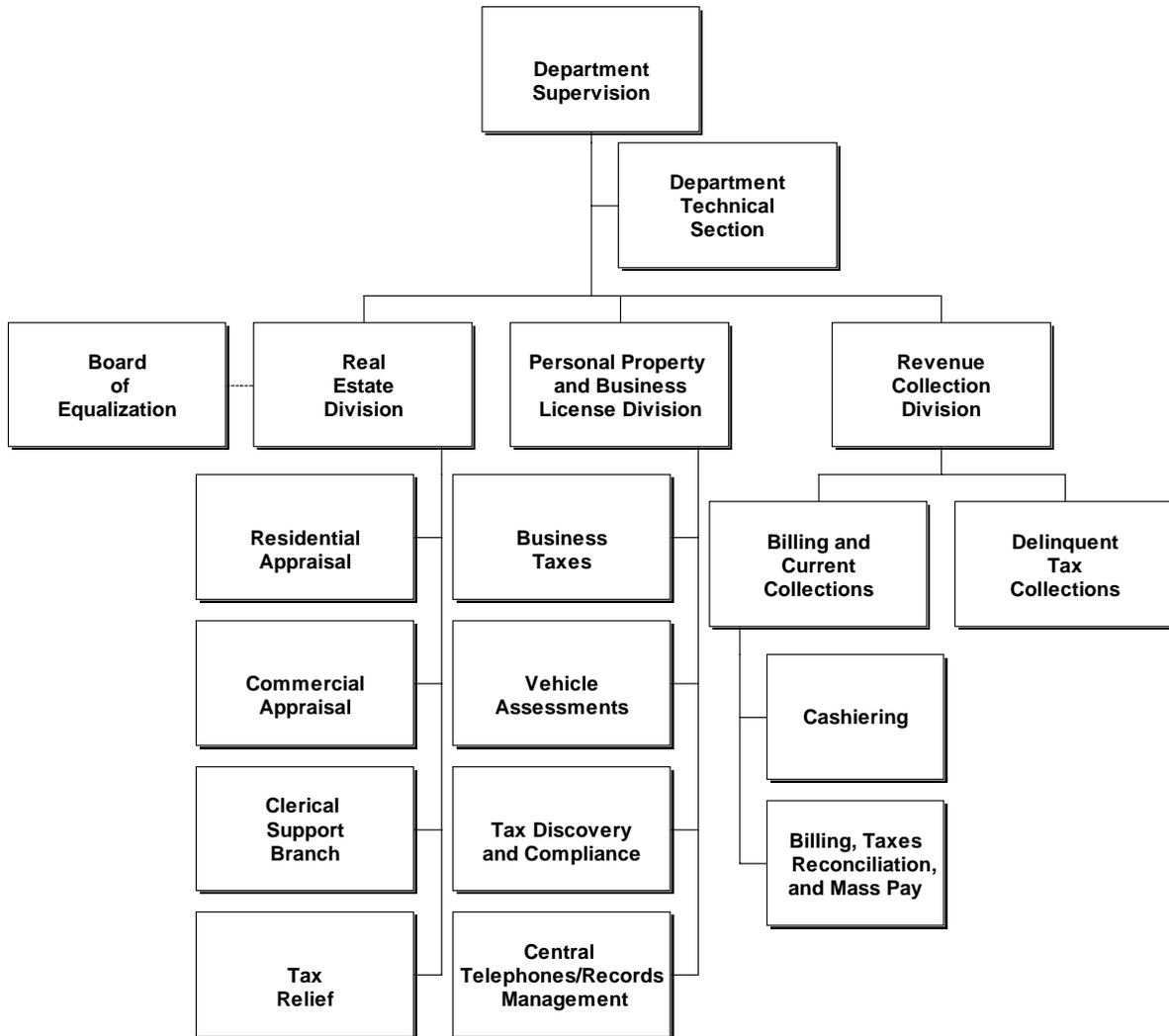


Department of Tax Administration



Mission

To uniformly and efficiently assess and collect County revenue, provide high quality customer service and promote an empowered, well-informed community.

Focus

The Department of Tax Administration (DTA) assesses and collects taxes fairly and in accordance with relevant County and state codes. The department is comprised of four main divisions: Department Supervision; Real Estate; Personal Property and Business Licenses; and Revenue Collection.

The Supervision Division oversees all DTA operations and takes the lead in the department's strategic planning and implementation process. As necessary, resources are reallocated across division boundaries to ensure that taxes are properly billed, collection rates remain strong and taxpayers receive responsive customer service.

THINKING STRATEGICALLY

Strategic issues for the department include:

- Reliably forecast, assess and collect current and delinquent County revenue;
- Maintain high quality customer service;
- Maintain average assessment-to-sales ratio in the low 90s as of January 1 each year;
- Increase availability and acceptance of ways to conduct business in a 24/7 environment; and
- Maintain a highly skilled and knowledgeable workforce.

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Increased automation and streamlining of operations have been implemented wherever possible to address the needs of County residents with fewer staff and budgetary resources. In FY 2008, the department was the winner of a Virginia Association of Counties (VACo) Achievement Award. The award was received for the department's Tax Relief Outreach Program. The Board of Supervisors (BOS) was instrumental in DTA's development of this program which provides County residents with on-site assistance and eligibility information regarding tax relief. DTA is committed to outstanding communication and promoting an empowered and well-informed community. The FY 2008 DTA diversity report showed for the 12th year in a row an increase in workforce diversity. DTA's workforce is greater than 54 percent diverse. Such diversity allows the department to address the concerns and language needs of the varied population of Fairfax County, both now and in the future.

In FY 2008 and FY 2009, the division will continue to focus on efforts to increase secure access to pertinent tax information. Such efforts will include public access to the Personal Property and Accounts Receivable databases online. These initiatives will better empower residents to conduct business in a 24/7 environment and enable DTA to continue to do more with less.

The Real Estate Division handles the assessment of all real estate taxes due to annual property value changes associated with appreciation/depreciation and value increases due to normal "growth" or construction. DTA appraisers handle residential and commercial properties, the real estate taxes for which account for nearly 60 percent of all General Fund revenue. Like the rest of Northern Virginia, Fairfax County has experienced a continued softening of residential real estate properties over the past year. From FY 2002 through FY 2007, robust value increases, along with numerous property sales, translated into significant workload. Refinancing, remodeling and construction work also presented a significant challenge to staff in that a visit to the property is often necessary to ensure accurate property descriptions and assessment. Similar to the workload created during a hot real estate market, a downturn in the market also proves challenging for staff. Residential values went from double digit appreciation to a flat market in FY 2008 and it is anticipated that values will fall in FY 2009. When the market shifts in such dramatic ways, it is of utmost importance that the County has the best and most up-to-date information to base real estate assessments. This division began a long-term project in FY 2006 which will continue in FY 2008 and FY 2009, to enhance data accuracy of property characteristics. This project involves physically visiting and reviewing all residential properties in the County using exempt limited term data collectors to supplement existing appraisal staff. Data accuracy is paramount to fair and equitable property assessment and taxation. This division completed a major computer replacement project in recent years, working with a private vendor to replace the County's 1970s-era mainframe assessment system. Further enhancements are planned during FY 2008 and FY 2009 to increase secure access to tax information and to provide staff additional data resources to address the ever-changing real estate market. Real estate payment information may be available online using the new system.

In FY 2006, the Board of Supervisors expanded the Real Estate Tax Relief Program for the Elderly and Disabled. Staff has intensified its efforts to educate eligible residents about the program through public outreach initiatives such as sending staff to speak at community meetings, senior centers and places of worship throughout the County. As previously noted, this program was just awarded a VACo Achievement Award. With the increased outreach efforts and program recognition, we anticipate additional applicants to file for Real Estate Tax Relief in FY 2008 and FY 2009. Staff will work to accommodate all additional requests for information and process all applications without an increase to the level of permanent staffing and will continue to absorb all additional work and costs associated with the expansion of the program parameters.



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The Personal Property and Business License Division assesses all vehicle and business personal property taxes and administers the Business, Professional and Occupational License (BPOL) tax. In early FY 2008, credit card and e-check payment options were made available on-line for Fairfax County businesses. More efficiency will prevail as this new payment option for businesses becomes the recognized standard way of doing business. Workload in this division is driven predominantly by continued population increases over the past decade, as well as the condition of the automobile sales market. The transient nature of Northern Virginia also impacts workload, as all vehicle changes (i.e., moves, sales, purchases) must be recorded to ensure an accurate vehicle tax file. Greater use of Department of Motor Vehicles (DMV) record matching provides some help in quality control over the vehicle tax file. Quality control efforts concerning the vehicle database will continue to be a high priority in FY 2008 and FY 2009, along with efforts required by state law under the Personal Property Tax Relief Act (PPTRA), commonly referred to as the state "Car Tax" legislation. The Personal Property and Business License Division will enhance efforts to ensure all vehicles are properly registered with the County. This includes an aggressive effort to research and identify potential tax evaders with out of state license plates.

While much of the valuation process is automated, and records are matched to the Virginia DMV, this division still has an enormous volume of customer contacts. The division also staffs DTA's main telephone call center, which receives approximately 400,000 phone calls a year. It should also be noted that calls coming into the call center cross internal division boundaries. Overlap in customer service also extends to a certain amount of taxpayer correspondence, although DTA has been promoting an increasing shift to e-mail contact, which is handled more proportionately by each appropriate division.

In FY 2007 through the actions of the BOS, the department was the first jurisdiction in the state of Virginia to eliminate both the local vehicle decal and associated fee. When this was implemented by DTA, efficiencies were projected with improved customer service. One of the efficiencies now noted is the reduction in the number of transactions required by residents to conduct tax related business. Without the purchase, transfer and replacement of decals, we have seen an annual decrease in e-commerce transactions of approximately 25 percent from 350,000 to 264,000. Although e-commerce transactions have decreased, the overall volume of business tax workload remains constant. However, the complexity of personal property tax requirements has increased in the last few years due to various court cases, state tax department rulings and economic conditions.

The Revenue Collection Division is responsible for all billing, collection and account reconciliation activities. Staff is split between current year cashing, deposit operations, and delinquent tax collection, and handles well over 1.5 million billing transactions per year. The workload in this division is also influenced significantly by population and economic conditions. Staff works to ensure that current year collection rates are maintained, as this provides necessary revenue and helps minimize the amount of unpaid receivables accumulated over time. Each year, outstanding receivables are collected as delinquent revenue. Collection work is a function of data accuracy (i.e., finding and contacting the property owner), as well as the economy. As the economy falters, collecting can become more difficult. For example, when bankruptcies occur, this makes collection work harder and impacts collection rates. Conversely, a strong real estate market, coupled with low interest rates, typically stimulates a wave of mortgage refinancing, helping to boost real estate collections. Along with other collection tools, some delinquent accounts are outsourced to private collection agents. Assistance is also provided by the County Attorney's Office and the Office of the Sheriff. The Fairfax County Police Department also tows vehicles with outstanding parking tickets. In FY 2008 the department will test a license plate reader system on a pilot basis. This process utilizes cameras to allow law enforcement and tax personnel to locate vehicles belonging to residents with delinquent parking tickets, real estate taxes and personal property taxes. Scofflaw database files are entered into the cameras which read license plates, resulting in the detection, booting and/or towing of vehicles with outstanding tax obligations.

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Additionally, the Revenue Collection Division staffs the full service counters at the Government Center and forwards the relevant paperwork to the appropriate division for processing. When customer traffic at the Government Center is extremely heavy, employees are redeployed to front-line cashiering service, irrespective of division, in an effort to provide responsive customer service. Similar efforts are made to staff DTA telephones. Efforts to reduce walk-in traffic include the promotion of online registration of new vehicles and the elimination of vehicle decals. This division has also enhanced customer service and increased cash accountability through implementation of a new cashiering system which was fully integrated with the new real estate computer system in FY 2006. In FY 2006, the division began developing an automated real estate delinquent collection tracking system which was implemented in FY 2007. This new system tracks delinquencies and allows timely follow-up, improving the collection rate. Additionally, a software enhancement in FY 2007 to improve the posting of parking ticket collection efforts has helped streamline the process and provided real-time account information.

New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

 Connecting People and Places	Recent Success	FY 2009 Initiative
Continue to provide residents convenient access to information by providing real estate sales data and assessment information online.	✓	✓
Continue to provide the public access to the Personal Property and Accounts Receivable databases online via Govolution, and permit vehicle owners to adjust their accounts, such as change in address or vehicle ownership online, thereby saving staff time and increasing the accuracy of the information in the vehicle tax file.	✓	✓
Review feasibility of posting real estate tax payment history online to empower the public with greater access to direct information.		✓
Review feasibility of using Department of Motor Vehicles (DMV) filing records in lieu of the individual personal property form for initial vehicle filing. DTA would accept DMV filings as the taxpayer's filings rather than using this information to create a shell record and subsequent letter requiring the taxpayer to file additional paperwork within 60 days. This will be more convenient for taxpayers and will potentially help expedite the registration process, as well as reduce the number of phone calls, e-mails and waiver requests for late filings received by staff.		✓
Increase taxpayer knowledge of the Tax Relief program through increased outreach efforts to the senior and disabled populations. Conduct an informational survey which may enhance marketing efforts.	✓	✓

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 Exercising Corporate Stewardship	Recent Success	FY 2009 Initiative
Continue to improve the automated delinquent collection tracking system to track real estate delinquencies and support timely follow-up.	☑	☑
Continue to test and improve the credit card and electronic check payment capabilities implemented for the business personal property clients.	☑	☑
Implement license plate reader cameras on a pilot basis to allow law enforcement and tax personnel to locate vehicles belonging to residents with delinquent parking tickets and personal property taxes. Scofflaw database files are entered into the readers which then allows for the detection, booting and/or towing of vehicles with outstanding tax obligations.		☑
Continue to improve the integration of software programs to allow real-time posting of parking ticket payments at the Government Center Customer Service Counter.	☑	☑
Develop an online reporting mechanism to allow Veterinarians to submit rabies certifications.		☑
Continue to implement the assessment neighborhood walk program to provide greater consistency in verifying physical characteristics through property site visits. This effort will validate the accuracy of real estate property records and help assure fair and equitable real estate assessments.	☑	☑
Implement new state code requirements pertaining to the licensing of dogs in the County which will entail the combined efforts of the veterinary community, the Department of Information Technology and DTA to develop a program which informs residents of the changes, while continuing to register dogs and collect the associated licensing fees. It is anticipated that code changes will foster more licensing compliance among dog owners.		☑
Implement electronic imaging system for Personal Property tax records. This will allow for the scanning and retrieval of all current and archived documents, eliminating the need for microfilm.		☑

Department of Tax Administration

Budget and Staff Resources

Agency Summary				
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	310/ 310	310/ 310	320/ 320	320/ 320
Expenditures:				
Personnel Services	\$16,510,635	\$17,511,918	\$18,036,551	\$18,344,887
Operating Expenses	6,546,635	6,058,285	6,922,410	6,058,285
Capital Equipment	33,425	0	0	0
Total Expenditures	\$23,090,695	\$23,570,203	\$24,958,961	\$24,403,172
Income:				
Land Use Assessment Application Fees	\$634	\$600	\$600	\$600
Administrative Collection Fees for Delinquent Taxes	1,280,985	570,361	1,165,268	1,176,745
State Shared DTA Expenses	2,144,589	2,149,566	2,198,204	2,198,204
State Shared Retirement - DTA	65,888	66,498	67,536	67,536
Total Income	\$3,492,096	\$2,787,025	\$3,431,608	\$3,443,085
Net Cost to the County	\$19,598,599	\$20,783,178	\$21,527,353	\$20,960,087

FY 2009 Funding Adjustments

The following funding adjustments from the FY 2008 Revised Budget Plan are necessary to support the FY 2009 program:

- ◆ **Employee Compensation** **\$674,348**
 An increase of \$674,348 in Personnel Services associated with salary adjustments necessary to support the County's compensation program. The increase includes full-year funding for the ten Real Estate Appraiser positions added for a partial year in FY 2008. As a result of budget constraints, compensation adjustments for County employees have been reduced. For FY 2009, employee increases as part of the pay for performance system have been discounted by 50 percent and the impact of the lower pay for performance funding is reflected above.
- ◆ **Personnel Services Reduction** **(\$366,012)**
 A decrease of \$366,012 in Personnel Services as part of an across-the-board reduction to meet budget limitations based on available revenues as a result of a continued softening of the residential real estate market.
- ◆ **Carryover Adjustments** **(\$864,125)**
 A decrease of \$864,125 in Operating Expenses is due to the carryover of one-time expenses as part of the FY 2007 Carryover Review.

Changes to FY 2008 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2008 Revised Budget Plan since passage of the FY 2008 Adopted Budget Plan. Included are all adjustments made as part of the FY 2007 Carryover Review and all other approved changes through December 31, 2007:

- ◆ **Carryover Adjustments** **\$864,125**
 As part of the FY 2007 Carryover Review, the Board of Supervisors approved encumbered funding of \$864,125 in Operating Expenses.

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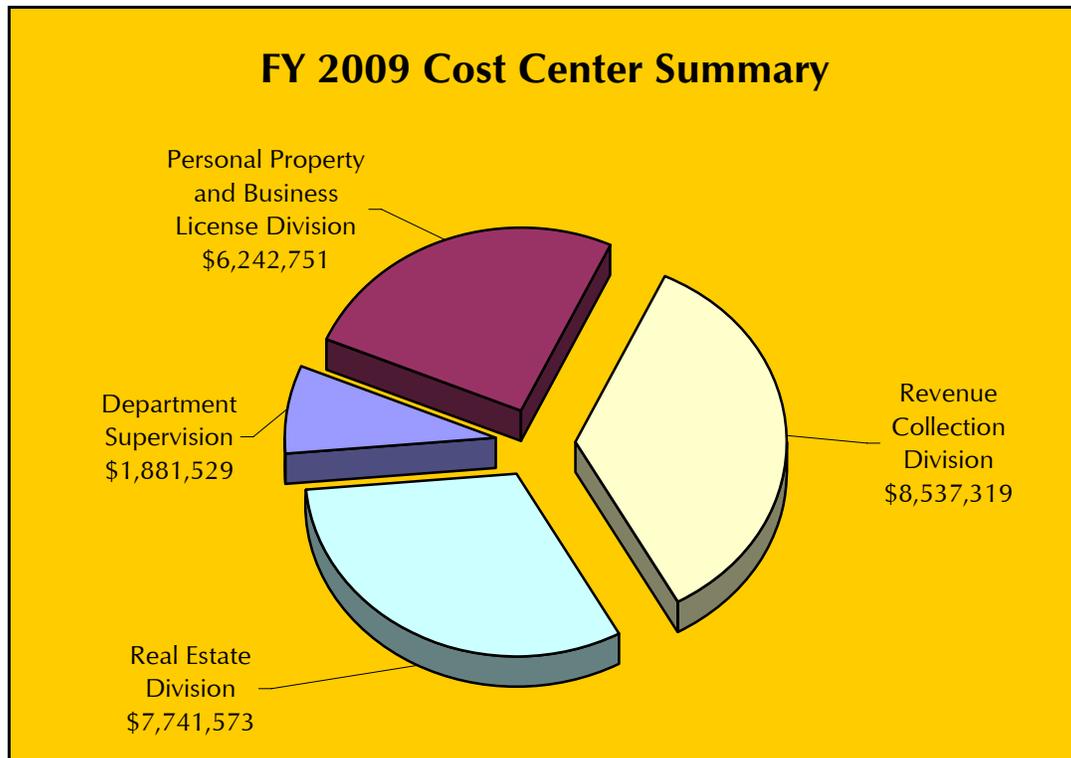
◆ Additional Real Estate Appraisers

\$524,633

Funding of \$524,633 was approved for the Department of Tax Administration (DTA) to add 10/10.0 SYE Real Estate Appraiser positions to address increased workload and complexity in the real estate appraisal process. The additional monies represent partial year funding for ten months. The number of full-time merit appraiser positions with these additional appraisers is 77/77.0 SYE positions. Of the 77/77.0 SYE positions, 58/58.0 SYE positions are currently allocated to residential appraisals. With the additional staff, DTA's residential parcels per appraiser will be reduced from more than 6,800 parcels per appraiser in 2006 to approximately 5,700 for 2008. The additional appraisers will allow DTA to continue accurately assessing residential properties in the County despite the changing real estate market and will keep existing commercial staff from being pulled off to assist with the residential workload. The additional 10 positions are made possible through the redirection of 10 School Age Child Care (SACC) teacher positions eliminated as a result of the expansion of full-day kindergarten at 21 additional elementary schools in FY 2008. There will be no overall increase to the County's position count due to this redirection.

Cost Centers

The Department of Tax Administration is comprised of four cost centers: Department Supervision, Real Estate, Personal Property and Business License, and Revenue Collection. These four cost centers work together to fulfill the mission of the department and carry out its key initiatives for the fiscal year. The Personal Property Division includes the department's main call center that provides customer service support across divisional boundaries.



Department of Tax Administration

Department Supervision



Funding Summary				
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	11/ 11	11/ 11	11/ 11	11/ 11
Total Expenditures	\$2,284,628	\$1,871,556	\$2,279,567	\$1,881,529

Position Summary				
<u>Department Technical Section</u>				
1 Director of Tax Administration	2 Management Analysts IV	2 IT Technicians II		
2 Administrative Assistants IV	3 Business Analysts IV	1 Administrative Assistant III		
TOTAL POSITIONS				
11 Positions / 11.0 Staff Years				

Key Performance Measures

Goal

To administer, supervise and adjudicate the assessment, levy, and collection of all taxes that are charged to residents and businesses of Fairfax County in order to ensure full compliance with the Virginia Constitution, state and County codes and to provide for the funding of the public need as established through the annual budget process.

Objectives

- ◆ To enhance taxpayer convenience by supporting an increase of at least 5 percent per year in 24/7 e-commerce transactions.
- ◆ To accurately forecast current real estate, personal property, and Business, Professional and Occupational License taxes to achieve a variance of 0.5 percent or less between estimated and actual revenues.
- ◆ To provide high quality customer service as measured by an average maximum wait time of no more than 1:30 minutes on the phone and at least a 3.5 point satisfaction rating (on a 4-point scale) by DTA customers.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
24/7 e-commerce transactions	334,579	350,017	367,518 / 264,033	277,270	291,133
Real Estate, Personal Property, and BPOL Tax Revenues (in billions)	\$2.198	\$2.379	\$2.513 / \$2.526	\$2.602	\$2.617
Phone calls received	551,815	483,666	500,000 / 386,154	405,461	405,461
Efficiency:					
Cost per \$1,000 collected	\$9.89	\$9.19	\$9.54 / \$9.16	\$8.89	\$8.84
Cost per phone call	\$2.24	\$2.56	\$2.33 / \$2.77	\$2.46	\$2.51

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Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Service Quality:					
Average wait time on phone in minutes. seconds (1)	2.02	2.59	2.30 / 0.45	1.30	1.30
Average rating of DTA services by customers	3.5	3.5	3.5 / 3.5	3.5	3.5
Outcome:					
Percent change in 24/7 e-commerce transactions (2)	30.9%	4.6%	5.0% / (25.0%)	5.0%	5.0%
Percent variance between estimated and actual revenues	0.3%	0.1%	0.4% / 0.5%	0.1%	0.1%
Percentage of phone calls answered	84.0%	81.5%	84.0% / 95.8%	90.0%	90.0%

(1) The efficiencies of technology is being seen in the decrease in phone calls. More and more residents use the Internet and our DTA web site for information rather than calling the department. The decrease in calls has allowed us to greatly reduce our telephone call wait time from over 2 minutes to under 1 minute. DTA is also not as rushed on calls and can take more time with residents, especially those who speak English as a second language.

(2) E-commerce transactions were down in FY 2007 primarily because of the change in the vehicle decal requirement.

Performance Measurement Results

In accordance with DTA's strategic plan to promote taxpayer empowerment and more convenient access to information, performance measures have been developed to assess e-commerce efforts. The tremendous growth in the use of technology has resulted in significant efficiencies for both the public and DTA staff. Growth in 24/7 e-commerce transactions since availability became an option for residents has grown exponentially. The 24/7 e-commerce transactions include emails to DTA, online vehicle registrations, automated tax evader tips, e-check payments, and online credit card payments. The current peak in transactions occurred in FY 2006, the last year County vehicle decals were required. Over 350,000 e-commerce transactions were conducted during this fiscal year. The requirement to purchase decals was eliminated in FY 2007, resulting in a drop in transactions. In particular, over 50,000 low-value vehicles registered in the County do not pay personal property taxes. These taxes are paid for by the state. However, these vehicles in the past were required to purchase the \$25 decal. In addition to these low-value vehicles that purchased decals, there are approximately 20,000 military personnel with registered vehicles in Fairfax County. These residents are exempt from paying vehicle personal property taxes, but were required to obtain vehicle decals in the past. Additionally, with the slight downturn in the economy and subsequent real estate market during FY 2007, there was a reduction of approximately 5,000 residents moving in and out of the County, as well as purchasing and registering new vehicles. The overall reduction in e-commerce transactions for FY 2007 was a result of both the economy and the change in vehicle decal laws. However, DTA projects an increase over the FY 2007 numbers by a range of 5-10 percent due to the recent implementation of online payment access for business personal property accounts. Where transaction numbers dropped because of the elimination of vehicle decals, business personal property transactions are expected to continue to rise.

DTA continues to provide County management with timely and sound data with which to forecast County revenues. As a result, the FY 2007 variance between estimated and actual revenues for Real Estate, Personal Property and Business, Professional and Occupational License Taxes was less than 1 percent. The overall collection rate for these revenue categories was 99.27 percent for FY 2007. A near 100 percent collection rate is a reflection of an extremely dedicated and professional staff. The department will continue to monitor these revenue categories closely and provide accurate estimates.

To better assess customer service, data on telephone calls is an important DTA performance measure. It is estimated that call volume will remain high, over 400,000 annually. Numerous variables affect the number of calls received by the department in any given year. A strong economy with vigorous real estate sales, vehicle

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and luxury item purchases, the growth or decline of businesses, changes in tax laws and requirements such as the elimination of the vehicle decal, etc., all attribute to the number and complexity of calls received from the public. This ever-changing environment makes it difficult to predict the exact number of calls to be received in any given year. DTA's expanded website information and the availability to conduct business and pay fees online will help control the overall growth in telephone volume. However, although community education efforts through our website and different forms of advertisement are extensive, many residents will always have questions and will call for clarification and reassurance. In FY 2007 staff successfully reduced the average wait time for calls from 2:59 in FY 2006 to 45 seconds. The percentage of calls answered increased from 82 percent in FY 2006 to 96 percent in FY 2007. The objective is to answer all calls in as timely a manner as possible, with staff trained and poised to address the needs of the caller.

Real Estate Division

Funding Summary				
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	99/ 99	99/ 99	111/ 111	111/ 111
Total Expenditures	\$7,214,210	\$7,016,523	\$7,564,156	\$7,741,573

Position Summary				
1	Director of Real Estate		<u>Residential Appraisal</u>	<u>Clerical Support Branch</u>
3	Assistant Directors	89	Supervising Appraisers	2 Administrative Assistants V
2	Management Analysts III	18	Senior Appraisers	3 Administrative Assistants IV
1	Administrative Assistant III	31	Appraisers	15 Administrative Assistants III
1	Administrative Assistant II			1 Administrative Assistant II
	<u>Board of Real Estate</u>	4	<u>Commercial Appraisal</u>	1 Management Analyst III
	<u>Assessments Equalization</u>	15	Supervising Appraisers	1 Management Analyst II
1	Administrative Assistant III		Senior Appraisers	
				<u>Tax Relief</u>
				1 Management Analyst II
				1 Business Tax Specialist II
TOTAL POSITIONS				
111 Positions / 111.0 Staff Years				

Key Performance Measures

Goal

To assess and update all real property in the County in a fair and equitable manner to ensure that each taxpayer bears his or her fair share of the real property tax burden.

Objectives

- ◆ To assess property at fair market value as measured by an average assessment-to-sales ratio in the low 90s.
- ◆ To equitably assess properties by maintaining a maximum coefficient of dispersion of no more than 7.5 with a target coefficient of dispersion of 6.0.

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Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Parcels assessed	345,338	349,995	354,000 / 354,830	359,000	364,000
Efficiency:					
Residential cost per parcel assessed	\$21.84	\$22.78	\$22.98 / \$22.98	\$23.29	\$24.05
Residential parcels per appraiser (1)	6,516	6,604	6,679 / 6,695	6,411	5,778
Service Quality:					
Assessment/Sales ratio	91.2%	92.7%	92.0% / 91.5%	94.0%	94.0%
Outcome:					
Coefficient of Dispersion	6.0	7.5	5.9 / 4.4	6.0	6.0

(1) Number of parcels per appraiser will decline in FY 2009 due to the hiring of 10 new appraisers.

Performance Measurement Results

FY 2007 data indicate an assessment-to-sales ratio of 91.5 percent. This is well within the target of the low 90 percent range and reflects the department's assessment of real estate at fair market value. Further evidence of DTA's fair and equitable assessment practices is found in the low coefficient of dispersion of 4.4 in FY 2007. A low coefficient indicates that similar properties are assessed similarly and, hence, equitably. A coefficient of 15 is considered good, while a value in the five to 14 range indicates excellent uniformity.

Personal Property and Business License Division

Funding Summary				
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	116/ 116	116/ 116	115/ 115	115/ 115
Total Expenditures	\$5,481,091	\$6,187,130	\$6,280,055	\$6,242,751

Position Summary		
1 Director	<u>Tax Discovery and Compliance</u>	<u>Central Telephones and Records Management</u>
1 Assistant Director	1 Management Analyst III	
1 Management Analyst III	3 Management Analysts II	1 Management Analyst II
1 Administrative Assistant III	6 Auditors III	5 Administrative Assistants IV
1 Administrative Assistant II	10 Business Tax Specialists II	31 Administrative Assistants III
	1 Administrative Assistant IV	6 Administrative Assistants I
	7 Administrative Assistants III	
	<u>Vehicle Assessments</u>	<u>Business Taxes</u>
1 Management Analyst II		1 Accountant II
2 Administrative Assistants IV		2 Administrative Assistants V
9 Administrative Assistants III		1 Administrative Assistant IV
7 Administrative Assistants II		15 Administrative Assistants III
		1 Business Tax Specialist II
TOTAL POSITIONS		
115 Positions / 115.0 Staff Years		

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Key Performance Measures

Goal

To establish and maintain an equitable and uniform basis for assessing County ad valorem taxes on personal property; and to administer County licenses, state income tax, and all other state and County programs assigned to the division in accordance with mandated statutes.

Objectives

- ◆ To maintain the cost per Personal Property and BPOL dollar levied at or below \$0.01 with no degradation in accuracy as measured by exonerated assessments as a percent of total assessments.
- ◆ To achieve the highest degree of accuracy in personal property and business license assessment such that exonerations do not exceed 4.0 percent of annual levy.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Total tax levy for Personal Property and BPOL	\$579,468,584	\$622,573,013	\$648,023,704 / \$648,478,065	\$654,943,417	\$659,179,640
Value of Personal Property and BPOL tax bills adjusted	\$23,843,045	\$26,271,704	\$26,435,054 / \$25,772,195	\$26,902,943	\$26,826,970
Efficiency:					
Cost per tax dollar levied	\$0.01	\$0.01	\$0.01 / \$0.01	\$0.01	\$0.01
Outcome:					
Exonerations as a percent of total assessments	4.1%	4.2%	4.1% / 4.0%	4.0%	3.9%

Performance Measurement Results

In FY 2007, the cost per dollar of personal property and BPOL levy was \$0.01, consistent with the target. For FY 2007, exonerations were 4.0 percent of the total tax levy. Exonerations occur after a record has been assessed and levied. Although some level of records will always change after the fact due to prorating, the objective is to bill records correctly the first time and minimize subsequent adjustments. Exonerations of no more than 5 percent indicate excellent billing practices. For FY 2008 and FY 2009, exonerations are projected to be at or below the 4.0 percent benchmark.

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Revenue Collection Division

Funding Summary				
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	84/ 84	84/ 84	83/ 83	83/ 83
Total Expenditures	\$8,110,766	\$8,494,994	\$8,835,183	\$8,537,319

Position Summary				
1	Director	22	Administrative Assistants III	<u>Billings, Taxes Reconciliation, and Mass Pay</u>
1	Management Analyst IV	1	Administrative Assistant I	1 Accountant II
1	Management Analyst I			1 Management Analyst III
1	Administrative Assistant III		<u>Cashiering</u>	2 Management Analysts II
		1	Accountant III	5 Administrative Assistants V
	<u>Delinquent Tax Collections</u>	1	Accountant II	13 Administrative Assistants III
1	Management Analyst III	4	Administrative Assistants IV	1 Administrative Assistant II
1	Management Analyst II	14	Administrative Assistants III	
4	Administrative Assistants V			
7	Administrative Assistants IV			
TOTAL POSITIONS				
83 Positions / 83.0 Staff Years				

Key Performance Measures

Goal

To bill and collect taxes while providing quality customer service, in order to maximize General Fund revenue with accountability and minimize the overall tax burden by maintaining low delinquency rates.

Objectives

- ◆ To achieve a minimum collection rate of 99.61 percent in real estate tax collections toward a target collection rate of 99.65 percent for current year real estate taxes; 98.86 percent for current year personal property taxes; and 98.50 percent for Business, Professional, and Occupational License (BPOL) taxes.
- ◆ To collect a minimum of 51 percent of accounts receivable (i.e., unpaid taxes from prior years), while maintaining a cost per delinquent dollar collected of no more than \$0.13.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Current year taxes collected: Real Estate (in millions)	\$1,628.3	\$1,772.1	\$1,884.8 / \$1,884.7	\$1,956.7	\$1,966.7
Current year taxes collected: Personal Property (in millions)	\$454.4	\$481.7	\$496.9 / \$508.3	\$506.2	\$504.8
Current year taxes collected: BPOL (in millions)	\$115.1	\$125.2	\$131.4 / \$132.5	\$138.9	\$145.2
Delinquent taxes collected: Real Estate	\$9,625,912	\$11,715,456	\$11,715,456 / \$11,324,812	\$11,898,024	\$11,898,024
Delinquent taxes collected: Personal Property (1)	\$19,538,777	\$15,808,127	\$13,887,924 / \$14,033,619	\$8,854,189	\$8,854,189
Delinquent taxes collected: BPOL (2)	\$287,799	\$2,009,588	\$2,372,475 / \$3,931,528	\$421,618	\$3,021,618

Department of Tax Administration

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Efficiency:					
Cost per current dollar collected	\$0.004	\$0.004	\$0.004 / \$0.001	\$0.001	\$0.001
Cost per delinquent dollar collected	\$0.08	\$0.10	\$0.10 / \$0.09	\$0.13	\$0.12
Service Quality:					
Percent of bills deliverable	97.0%	97.0%	97.0% / 97.0%	97.0%	97.0%
Outcome:					
Percent of current year taxes collected:			99.61% /		
Real Estate	99.62%	99.62%	99.64%	99.61%	99.61%
Percent of current year taxes collected: Personal Property	97.86%	98.11%	97.40% / 99.71%	98.86%	98.95%
Percent of current year taxes collected: BPOL	98.64%	98.27%	98.31% / 98.45%	98.50%	98.50%
Percent of accounts receivable collected	39%	41%	42% / 57%	51%	51%

(1) Delinquent personal property tax collections are projected to decline in FY 2008 as no portion of the delinquent tax will be paid by the state as a result of the capping of Personal Property Tax Relief reimbursements.

(2) Net delinquent BPOL collections are expected to decline in FY 2008 due to a refund as a result of a court settlement.

Performance Measurement Results

Collection rates remain especially strong in all tax categories, as well as the collection of unpaid parking tickets. The collection rate for real estate taxes was 99.64 percent in FY 2007, reflecting not only the work of this division, but also the surge in property refinancing due to continued low mortgage interest rates. The collection rate for personal property of 99.72 percent in FY 2007 was greater than the target of 97.40 percent. Personal Property Tax collections include taxes assessed locally by DTA, as well as, Public Service Corporation (PSC) taxes assessed by the state, but billed and collected by DTA. A collection rate of 98.45 percent was achieved for business, professional and occupational license taxes in FY 2007. Strong collection rates are anticipated to continue in FY 2008 and FY 2009.

The cost per delinquent dollar collected was \$0.09 in FY 2007. Collection cost of \$0.13 and \$0.12 are anticipated for FY 2008 and FY 2009, respectively. Typically, as overall collection rates increase the delinquent accounts that do exist are smaller in dollar value and typically more difficult to collect.