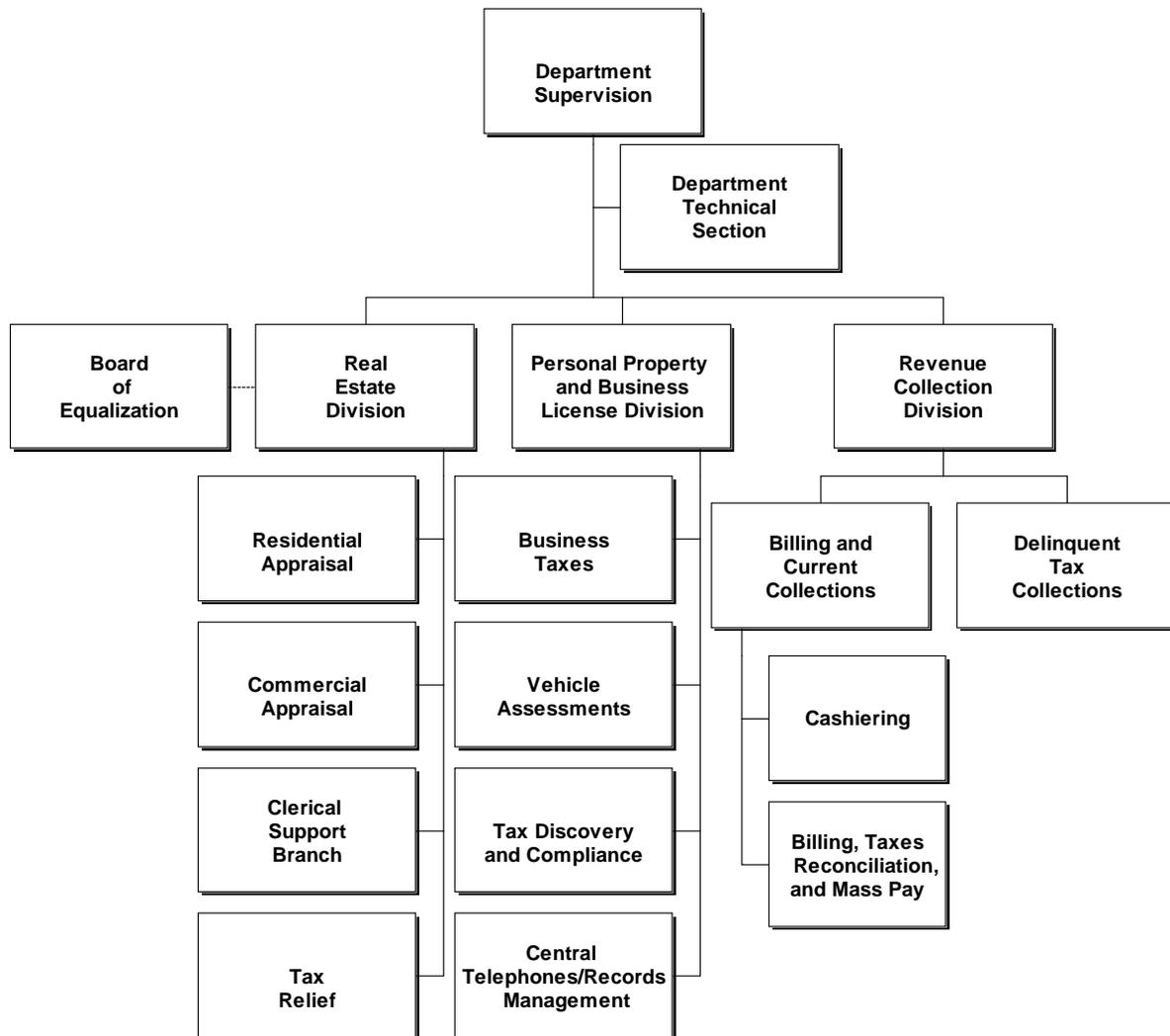


# Department of Tax Administration



## 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. Increased automation and streamlining of operations have been implemented wherever possible to address the needs of County residents with fewer staff and budgetary resources. Tax Relief Outreach Program remains an instrumental 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. Over the course of the last 15 years, DTA has maintained a continued growth in workforce diversity. DTA's workforce is greater than 58 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.

## Department of Tax Administration

In FY 2010 and FY 2011, 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. Additionally, the Department of Information Technology (DIT) and DTA will launch an e-commerce web portal pilot program in FY 2011 that will permit citizens to establish a secure online account with DTA. This account will enable them to make tax payments; research accounts receivable information for current and past year taxes; and register new properties for taxation. Once an account is established, citizens may manage their tax information online, thereby decreasing the need to visit the Government Center or telephone the department for assistance.

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 over 63 percent of all General Fund revenue. Like the rest of Northern Virginia, Fairfax County has experienced a continued softening of the residential real estate market over the past couple of years. 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 declining market in FY 2009 and FY 2010. FY 2011 values will continue to fall below FY 2010 levels, although at a slower pace. 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. For FY 2011, commercial real estate values are expected to decline significantly from FY 2010. Workload for these properties has increased, particularly to support appeals and Board of Equalization case responses.

Over recent years, the Real Estate Tax Relief Program for seniors and people with disabilities has expanded. 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. In FY 2008, this program was awarded a Virginia Association of Counties Achievement Award. With the increased outreach efforts, program recognition, and trying economic times, DTA anticipates additional applicants to file for Real Estate Tax Relief in FY 2010 and FY 2011. 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.

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 FY 2008, credit card and e-check payment options were made available online for Fairfax County businesses. As these payment options become the recognized standard way of doing business, additional efficiencies will prevail. 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 2011, 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 continue 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. The Board of Supervisors adopted a new annual \$100 license plate tax in FY 2010 which is generating additional revenue from owners of vehicles not displaying a current Virginia license plate.

## Department of Tax Administration

---

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 370,000 phone calls a year. In FY 2009, the Avaya phone system was implemented, which enabled DTA's call center to better track the call volume, wait time and staff performance. This helps supervisors make quicker and better decisions on work flow matters. Additionally, with the new Avaya Call Management System (CMS), DTA has a better reporting system which provides detailed statistics on staff performance. This information acts as a catalyst to encourage staff to stay focused and provide the best possible service, which is reflected in short wait times and a high call answer rate. 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 2009 and FY 2010, the division worked in conjunction with the Department of Information Technology to update the dog licensing system. Through software customization, this updated system permits the tracking of rabies vaccinations administered by veterinarians and produces the required notices (certificates/licenses). Principal benefits include: an increase in the number of dogs licensed in Fairfax County, increased revenue, an ability to return lost dogs to their owners, and enhanced safety for Animal Control officers in the community.

The Revenue Collection Division is responsible for all billing, collection and account reconciliation activities. Staff is split between counter operations, mail payment processing, 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 accounts are outsourced to private collection agents. Assistance has also been provided by the County Attorney's Office and the Office of the Sheriff. The County Attorney outsourced its legal assistance and DTA is coordinating closely with the new collection attorneys. The Fairfax County Police Department also tows vehicles with outstanding parking tickets. The Revenue Collection Division is also working closely with Code Enforcement Branch of Land Development Services of the Department of Public Works and Environmental Services in pursuing all uncollected receivables generated from the enforcement of the Mowing Directive as stipulated in Chapter 119 of the Fairfax County Code.

Additionally, the Revenue Collection Division staffs the full service cashiering counters at the Government Center. When traffic at the Government Center is extremely heavy, employees are redeployed to front-line cashiering service from other division sections in an effort to provide responsive customer service. Similar efforts are made to staff DTA telephones at peak times. Efforts to reduce walk-in traffic include the promotion of online registration of new vehicles and the elimination of vehicle decals. The Revenue Collection Division, in a further effort to enhance customer service, implemented in FY 2009 the use of Global Express Bill Payment Centers. Such centers are authorized walk-in bill payment locations accepting cash payments for personal property taxes. As a collection point for DTA, citizens may walk into certain retail locations, such as Shoppers Food Warehouse stores, selected Safeway and other convenience-type stores, to pay Fairfax County personal property taxes. This wide variety of locations makes it more convenient for citizens to pay their personal property bills. Payments are credited the same business day and a nominal \$1.25 fee is charged for the service. Fairfax County does not receive any portion of this fee.

# Department of Tax Administration

## Budget and Staff Resources

Agency Summary				
Category	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	320/ 320	279/ 279	278/ 278	278/ 278
Expenditures:				
Personnel Services	\$18,318,346	\$15,718,261	\$15,718,261	\$15,718,261
Operating Expenses	5,953,767	5,954,769	6,321,286	5,954,769
<b>Total Expenditures</b>	<b>\$24,272,113</b>	<b>\$21,673,030</b>	<b>\$22,039,547</b>	<b>\$21,673,030</b>
Income:				
Land Use Assessment Application Fees	\$1,377	\$1,241	\$1,241	\$1,241
Administrative Collection Fees for Delinquent Taxes	1,458,356	1,390,477	1,384,254	1,384,254
State Shared DTA Expenses	2,149,402	2,176,222	2,176,222	2,176,222
State Shared Retirement - DTA	67,790	66,860	66,860	66,860
<b>Total Income</b>	<b>\$3,676,925</b>	<b>\$3,634,800</b>	<b>\$3,628,577</b>	<b>\$3,628,577</b>
<b>Net Cost to the County</b>	<b>\$20,595,188</b>	<b>\$18,038,230</b>	<b>\$18,410,970</b>	<b>\$18,044,453</b>

## FY 2011 Funding Adjustments

The following funding adjustments from the FY 2010 Adopted Budget Plan are necessary to support the FY 2011 program:

- ◆ **Employee Compensation**
**\$0**

It should be noted that no funding is included for pay for performance or market rate adjustments in FY 2011.

- ◆ **Reductions**
**\$0**

It should be noted that no reductions to balance the FY 2011 budget are included in this agency, based on the need to assess properties equitably and to maintain high revenue collection rates in this difficult economic climate.

## Changes to FY 2010 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2010 Revised Budget Plan since passage of the FY 2010 Adopted Budget Plan. Included are all adjustments made as part of the FY 2009 Carryover Review, and all other approved changes through December 31, 2009:

- ◆ **Carryover Adjustments**
**\$366,517**

As part of the FY 2009 Carryover Review, the Board of Supervisors approved encumbered funding of \$141,517 in Operating Expenses. In addition, a non-recurring funding of \$225,000 was approved for contracting of expert appraisal analysis and consultation services concerning income capitalization rates for the assessment of commercial properties.

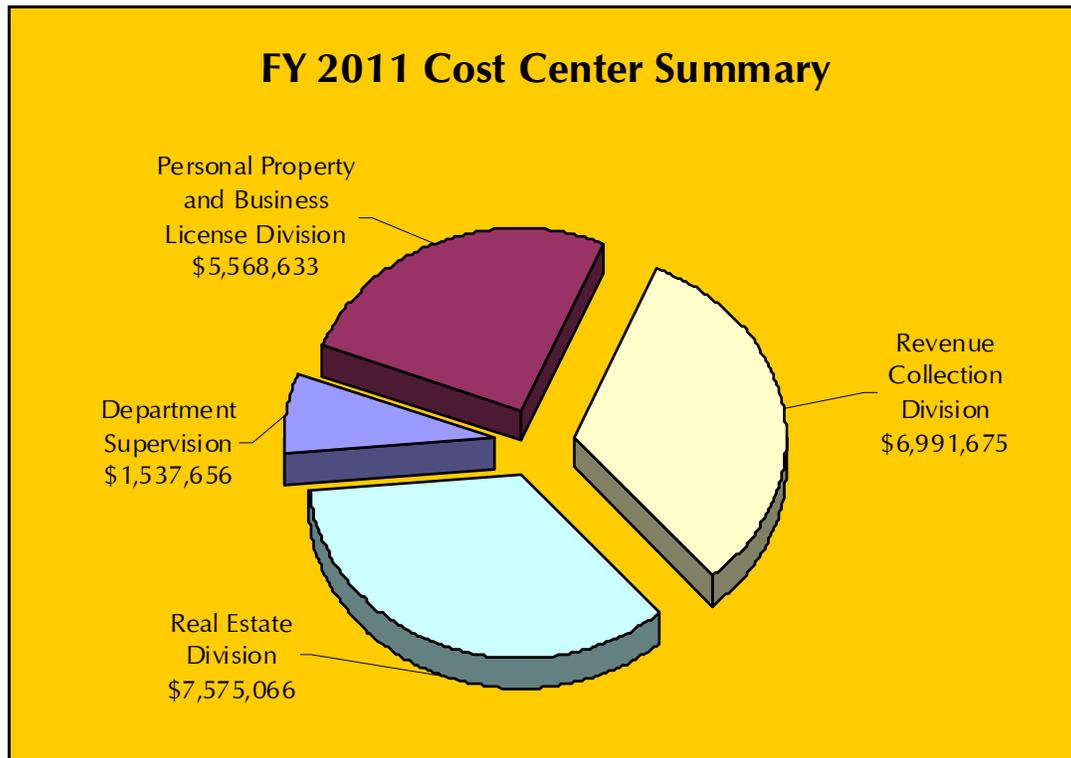
- ◆ **Position Adjustment**
**\$0**

The transfer of 1/1.0 SYE position from Agency 57, Department of Tax Administration, to Agency 50, Department of Community and Recreation Services, due to position realignment as a result of workload requirements and final budgetary decisions.

# Department of Tax Administration

## 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 Supervision



Funding Summary				
Category	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	12/ 12	9/ 9	9/ 9	9/ 9
<b>Total Expenditures</b>	<b>\$1,887,278</b>	<b>\$1,537,656</b>	<b>\$1,645,990</b>	<b>\$1,537,656</b>

Position Summary					
<u>Department Technical Section</u>					
1	Director of Tax Administration	1	Management Analyst IV	1	IT Technician II
2	Administrative Assistants IV	3	Business Analysts IV	1	Administrative Assistant III
<b>TOTAL POSITIONS</b>					
<b>9 Positions / 9.0 Staff Years</b>					

# Department of Tax Administration

## 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 promoting 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 2007 Actual	FY 2008 Actual	FY 2009 Estimate/Actual	FY 2010	FY 2011
<b>Output:</b>					
24/7 e-commerce transactions	264,033	274,603	280,000 / 291,419	297,247	297,247
Current Real Estate, Personal Property and BPOL Tax Revenues (in billions)	\$2.526	\$2.633	\$2.693 / \$2.692	\$2.724	\$2.623
Phone calls received	386,154	344,172	365,000 / 366,155	370,000	380,000
<b>Efficiency:</b>					
Cost per \$1,000 collected	\$9.16	\$9.20	\$9.66 / \$8.93	\$8.02	\$8.19
Cost per phone call	\$2.77	\$2.90	\$2.79 / \$2.65	\$1.79	\$1.74
<b>Service Quality:</b>					
Average wait time on phone in minutes. seconds	0.45	0.30	0.30 / 0.19	0.45	0.45
Average rating of DTA services by customers	3.5	3.5	3.5 / 3.7	3.5	3.5
<b>Outcome:</b>					
Percent change in 24/7 e-commerce transactions (1)	(25.0%)	4.0%	2.0% / 6.1%	2.0%	2.0%
Percent variance between estimated and actual revenues	0.5%	0.1%	0.1% / 0.3%	0.5%	0.5%
Percentage of phone calls answered	95.8%	93.9%	94.0% / 97.9%	90.0%	90.0%

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

# Department of Tax Administration

## 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. The 24/7 e-commerce transactions include e-mails to DTA, online vehicle registrations, automated tax evader tips, e-check payments, and online credit card payments. In FY 2009, the department processed over 291,000 e-commerce transactions totaling over \$113 million dollars. In FY 2010, the new pilot web portal project noted previously should enhance the public's ability to conduct business via the computer and/or telephone interactive voice system. As time and technology continue to progress, it is anticipated that the amount of online, e-commerce transactions will continue to grow.

DTA continues to provide County management with timely and sound data with which to forecast County revenues. As a result, the FY 2009 variance between estimated and actual revenues for Real Estate, Personal Property and Business, Professional and Occupational License Taxes was less than 0.5 percent. The overall collection rate for these revenue categories was 99.21 percent for FY 2009. A near 100 percent collection rate is a reflection of an extremely dedicated and professional staff and aggressive collection tools. The department will continue to monitor these revenue categories closely and provide accurate estimates. This will be of utmost importance in light of the current economic climate and planned reductions.

To better assess customer service, data on telephone calls are an important DTA performance measure. It is estimated that call volume may increase from approximately 365,000 calls annually to somewhere in the range of 365,000 to 380,000 annual calls. Numerous variables affect the number of calls received by the department in any given year. The downturn in the real estate market and the overall decline in the economy lead to a reduction in business, purchases of homes and vehicles, and other luxury items. Subsequently, residents may find themselves in uncharted financial waters and require assistance from DTA pertaining to tax liabilities. This ever-changing environment makes it difficult to predict the exact number of calls to be received, but the department anticipates a slight increase for FY 2011. However, DTA's expanded website information and the availability to conduct business and pay fees online should mitigate any significant growth in telephone volume. In FY 2009, staff further reduced the average wait time for calls from 30 seconds to 19 seconds. However, with significant staffing reductions in the Central Telephone Section for FY 2010, wait time will increase from the current 19 second range. At peak times, citizens may be waiting several minutes for assistance. Even with staffing restraints, 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 callers.

## Real Estate Division



<b>Funding Summary</b>				
Category	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	112/ 112	111/ 111	111/ 111	111/ 111
<b>Total Expenditures</b>	<b>\$8,122,137</b>	<b>\$7,582,326</b>	<b>\$7,807,326</b>	<b>\$7,575,066</b>

# Department of Tax Administration

Position Summary		
1 Director of Real Estate	<b><u>Residential Appraisal</u></b>	<b><u>Clerical Support Branch</u></b>
2 Assistant Directors	9 Supervising Appraisers	1 Management Analyst III
1 Financial Specialist III	16 Senior Appraisers	1 Management Analyst II
1 Management Analyst III	32 Appraisers	1 Management Analyst I
1 Administrative Assistant III		3 Administrative Assistants V
	<b><u>Commercial Appraisal</u></b>	3 Administrative Assistants IV
	5 Supervising Appraisers	15 Administrative Assistants III
	15 Senior Appraisers	1 Administrative Assistant II
		<b><u>Tax Relief</u></b>
<b><u>Board of Real Estate</u></b>		1 Management Analyst III
<b><u>Assessments Equalization</u></b>		1 Business Tax Specialist II
1 Administrative Assistant III		
<b><u>TOTAL POSITIONS</u></b>		
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 and 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.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate/Actual	FY 2010	FY 2011
<b>Output:</b>					
Parcels assessed	354,830	351,598	354,000 / 358,179	359,000	361,379
<b>Efficiency:</b>					
Residential cost per parcel assessed	\$22.98	\$23.45	\$24.05 / \$22.25	\$22.20	\$22.05
Residential parcels per appraiser (1)	6,695	5,495	5,778 / 5,777	5,790	5,829
<b>Service Quality:</b>					
Assessment/Sales ratio	91.5%	93.3%	94.0% / 91.1%	94.0%	94.0%
<b>Outcome:</b>					
Coefficient of Dispersion	4.4	4.2	5.0 / 5.6	7.5	7.5

(1) Number of parcels per appraiser declined in FY 2008 due to the hiring of 10 new appraisers.

## Performance Measurement Results

FY 2009 data indicate an assessment-to-sales ratio of 91.1 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 5.6 in FY 2009. 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 4 to 14 range indicates excellent uniformity.

# Department of Tax Administration

## Personal Property and Business License Division

Funding Summary				
Category	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	115/ 115	101/ 101	101/ 101	101/ 101
<b>Total Expenditures</b>	<b>\$5,909,382</b>	<b>\$5,563,373</b>	<b>\$5,564,398</b>	<b>\$5,568,633</b>

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 II
1 Financial Specialist III	3 Management Analysts II	4 Administrative Assistants IV
1 Administrative Assistant III	6 Auditors III	20 Administrative Assistants III
	10 Business Tax Specialists II	5 Administrative Assistants I
	1 Administrative Assistant IV	
	2 Administrative Assistants III	
		<u>Business Taxes</u>
<u>Vehicle Assessments</u>		1 Accountant II
1 Management Analyst II		2 Administrative Assistants V
3 Administrative Assistants IV		1 Administrative Assistant IV
16 Administrative Assistants III		15 Administrative Assistants III
4 Administrative Assistants II		1 Business Tax Specialist II
<b>TOTAL POSITIONS</b>		
101 Positions / 101.0 Staff Years		

## 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 2007 Actual	FY 2008 Actual	FY 2009 Estimate/Actual	FY 2010	FY 2011
<b>Output:</b>					
Total tax levy for Personal Property and BPOL	\$648,478,065	\$652,960,368	\$646,899,581 / \$667,521,227	\$625,368,994	\$629,683,551
Value of Personal Property and BPOL tax bills adjusted	\$25,772,195	\$22,444,618	\$23,000,000 / \$22,747,151	\$25,000,000	\$25,000,000
<b>Efficiency:</b>					
Cost per tax dollar levied	\$0.01	\$0.01	\$0.01 / \$0.01	\$0.01	\$0.01
<b>Outcome:</b>					
Exonerations as a percent of total assessments	4.0%	3.4%	3.6% / 3.4%	4.0%	4.0%

# Department of Tax Administration

## Performance Measurement Results

In FY 2009, the cost per dollar of Personal Property and BPOL levy was \$0.01, consistent with the target. For FY 2009, exonerations were 3.4 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 2010 and FY 2011, exonerations are projected to be at or below the 4.0 percent benchmark.

## Revenue Collection Division



Funding Summary				
Category	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2011 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	81 / 81	58 / 58	57 / 57	57 / 57
<b>Total Expenditures</b>	<b>\$8,353,316</b>	<b>\$6,989,675</b>	<b>\$7,021,833</b>	<b>\$6,991,675</b>

Position Summary		
1 Director	<u>Cashiering</u>	<u>Billing, Taxes Reconciliation, and Mass Pay</u>
1 Management Analyst IV	1 Accountant II	1 Accountant II
1 Administrative Assistant III	3 Administrative Assistants IV	1 Financial Specialist III
	8 Administrative Assistants III	1 Financial Specialist II
		2 Administrative Assistants V
<u>Delinquent Tax Collections</u>		4 Administrative Assistant IV
1 Management Analyst III		13 Administrative Assistants III
1 Management Analyst II		1 Administrative Assistant II
5 Administrative Assistants V		
7 Administrative Assistants IV		
5 Administrative Assistants III		
<b>TOTAL POSITIONS</b>		
57 Positions / 57.0 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, a 98.00 percent for current year Personal Property taxes; and 98.50 percent for Business, Professional, and Occupational License (BPOL) taxes.
- ◆ To collect a minimum of 35 percent of unpaid accounts receivable (i.e., unpaid taxes from prior years), while maintaining a cost per delinquent dollar collected of no more than \$0.10.

## Department of Tax Administration

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate/Actual	FY 2010	FY 2011
<b>Output:</b>					
Current year taxes collected: Real Estate (in millions)	\$1,884.7	\$1,962.3	\$2,035.0 / \$2,035.7	\$2,102.0	\$1,997.5
Current year taxes collected: Personal Property (in millions)	\$508.3	\$509.7	\$506.5 / \$516.5	\$485.1	\$489.3
Current year taxes collected: BPOL (in millions)	\$132.5	\$138.3	\$132.8 / \$140.0	\$136.4	\$136.4
Delinquent taxes collected: Real Estate	\$11,324,812	\$12,823,358	\$11,898,024 / \$12,154,914	\$11,898,024	\$11,898,024
Delinquent taxes collected: Personal Property (1)	\$14,033,619	\$9,525,472	\$7,769,588 / \$11,251,285	\$9,293,588	\$9,293,588
Delinquent taxes collected: BPOL	\$3,931,528	\$677,150	(\$1,011,526) / \$2,560,310	\$2,041,264	\$2,041,264
<b>Efficiency:</b>					
Cost per current dollar collected	\$0.001	\$0.001	\$0.001 / \$0.002	\$0.002	\$0.002
Cost per delinquent dollar collected (2)	\$0.09	\$0.13	\$0.17 / \$0.10	\$0.10	\$0.10
<b>Service Quality:</b>					
Percent of bills deliverable	97.0%	97.0%	97.0% / 97.0%	97.0%	97.0%
<b>Outcome:</b>					
Percent of current year taxes collected: Real Estate	99.64%	99.66%	99.61% / 99.66%	99.61%	99.61%
Percent of current year taxes collected: Personal Property (3)	98.26%	98.01%	98.00% / 97.92%	98.00%	98.00%
Percent of current year taxes collected: BPOL	98.45%	98.13%	98.50% / 98.05%	98.50%	98.50%
Percent of unpaid accounts receivable collected (4)	35%	35%	35% / 36%	35%	35%

(1) With the downturn in the economy, it is difficult to project the amount of delinquent accounts which will be collected.

(2) Effective FY 2008, the cost per delinquent dollar collected was revised to include associated information technology charges.

(3) The percent of current year taxes collected: Personal Property reflects the local collection rate associated with the taxpayer's share of the Personal Property tax.

(4) The actual percent of unpaid accounts receivable collected in FY 2007 was revised to reflect the new methodology of estimating this indicator.

# Department of Tax Administration

---

## **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 99.66 percent in FY 2009, reflecting a superb collection effort by the Revenue Collection Division. The vehicle portion of the Personal Property Tax is comprised of two parts, that which is paid by citizens locally and that which is reimbursed by the Commonwealth of Virginia to the County as a result of the Personal Property Tax Relief Act (PPTRA). The local collection rate for personal property of 97.92 percent in FY 2009 was consistent with the target of 98.00 percent. A collection rate of 98.05 percent was achieved for Business, Professional and Occupational License taxes in FY 2009. With the continued negative economic outlook, it will be of paramount importance for DTA to continue to work diligently to maintain high collection rates during FY 2010 and FY 2011.

The cost per delinquent dollar collected was \$0.10 in FY 2009. Although DTA will work to maintain this cost to collect rate, there is the possibility that it may increase slightly during FY 2010 and FY 2011 because of the difficulty of collecting in a down market. Typically, as overall collection rates increase, the delinquent accounts that do exist are smaller in dollar value and generally more difficult to collect. Additionally, when the economic climate is poor, collections typically become more difficult and time consuming for staff. In FY 2010, due to the Board approved reductions, DTA has increased outsourcing of delinquent accounts to an outside collection vendor.