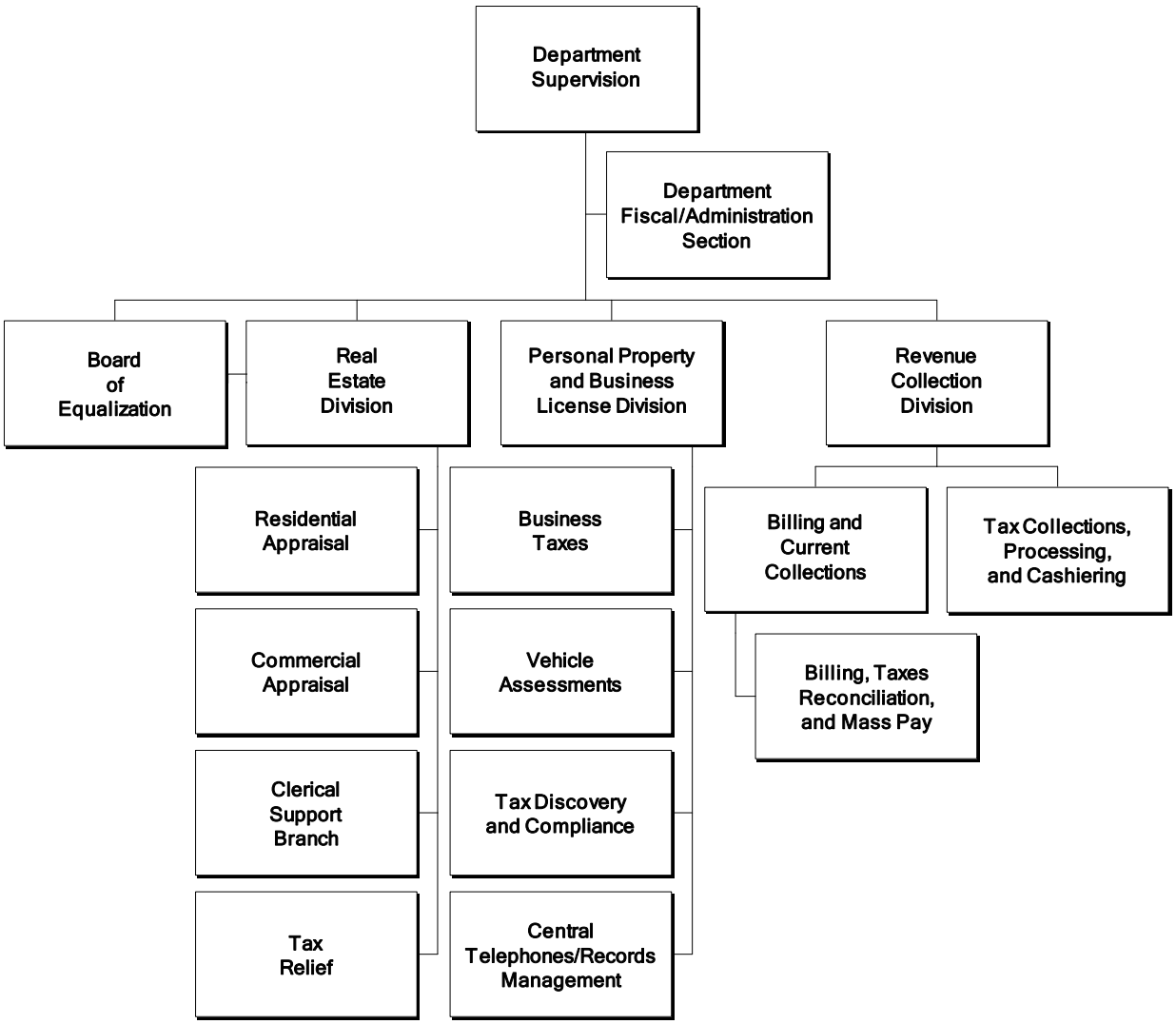
Department of Tax Administration



Mission

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

Department of Tax Administration

AGENCY DASHBOARD			
Key Data	FY 2011	FY 2012	FY 2013
1. Fairfax County Population	1,096,798	1,109,668	1,114,500
2. Number of Parcels to Assess	357,943	358,489	359,034
3. Number of Registered Vehicles	956,528	963,595	970,361
4. Number of Registered Businesses	47,006	47,057	47,454
5. Phone Calls	419,697	402,110	396,101
6. Requests/Inquiries (emails, letters, forms)	230,916	230,667	232,471

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 cost centers: Department Supervision; Real Estate; Personal Property and Business License; and Revenue Collection.

The Tax Relief Outreach Program, which is part of Department Supervision, remains an instrumental program which provides County residents with on-site assistance and eligibility information regarding tax relief. Staff in the Real Estate Tax Relief Program for seniors and people with disabilities has intensified 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.

DTA is committed to outstanding communication and promoting an empowered and well-informed community. DTA has maintained a continued growth in workforce diversity. 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 2015, DTA will continue to focus on efforts to increase citizens' secure access to pertinent tax information. The Department of Information Technology (DIT) and DTA hope to launch an e-commerce web portal pilot program that will permit citizens to establish a secure online account. This account will enable citizens 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 will be able to manage their tax information online, thereby decreasing the need to visit the Government Center or telephone the department for assistance.

The Department of Tax Administration supports the following County Vision Elements:

Connecting People and Places

Exercising Corporate Stewardship

DTA appraisers in the Real Estate Cost Center handle the assessment of all residential and commercial properties, the real estate taxes for which account for 63 percent of all General Fund revenue. From FY 2002 through FY 2008, 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 was often necessary to ensure accurate property descriptions and assessments. Like the rest of Northern Virginia, Fairfax County experienced a softening

of the residential real estate market during the recession. Similar to the workload created during a hot real estate market, a downturn in the market is also challenging for staff. Residential values went from double digit appreciation to a declining market in FY 2009 and FY 2010. Values stabilized in FY 2011 and in many neighborhoods a nominal increase in values was seen in FY 2012 - FY 2014. Values are anticipated to increase at a slightly higher rate in FY 2015. 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. Commercial real estate values declined significantly in FY 2011, but stabilized in FY 2012 and increased in FY 2013 and FY 2014. In FY 2015, values are expected to remain level. Workload for these properties continues to increase due to appeals, court cases, Board of Equalization case responses and the Tysons Corner Comprehensive Plan changes.

In FY 2015, the Personal Property and Business License Cost Center will continue to identify businesses that have not registered with the County. Quality control efforts concerning the vehicle database and requirements under the Personal Property Tax Relief Act (PPTRA) will continue to be high priorities in FY 2015. This cost center will also continue efforts to ensure all vehicles are properly registered with the County. The annual $350 license plate tax on all vehicles not properly displaying a current Virginia license plate, which was adopted in FY 2010 and amended in FY 2014, is one tool that will continue to be used for this purpose.

The Personal Property and Business License Cost Center also staffs DTA's main telephone call center, which receives approximately 400,000 phone calls a year. DTA has implemented the Avaya phone system, which enables DTA's call center to better track the call volume and wait times. This helps supervisors make quicker and better decisions on work flow matters. Additionally, with the 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. 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.

Recently, the Personal Property and Business License Cost Center worked in conjunction with DIT to update the dog licensing system. A new process was necessary because veterinarians are now required by state law to notify jurisdictions of dogs they vaccinate for rabies. 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.

Staff in the Revenue Collection Cost Center work 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 economic conditions. As the economy falters, collecting can become more difficult. For example, when bankruptcies occur, collection work becomes 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, accounts over 90 days old are outsourced to private collection agents. This was a major cost saving initiative approved in recent years by the Board of Supervisors (BOS). Assistance is also provided to the Fairfax County Police Department, which tows vehicles with outstanding parking tickets. The cost center is also working closely with the

Department of Code Compliance in pursuing all uncollected receivables generated from the enforcement of the Mowing Directive as stipulated in Chapter 119 of the Fairfax County Code.

On July 31, 2012, the BOS adopted new ordinance sections that established a uniform bad check fee of $50, and instituted late payment penalties and interest for delinquent non-tax receivables. As part of its collection oversight role, DTA has worked with agencies to standardize billing notices to warn of the additional expense and potential collection actions associated with delinquencies. Additionally, the Revenue Collection Cost Center 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 cost centers in an effort to provide responsive customer service. Efforts to reduce walk-in traffic include the promotion of online registration of new vehicles and the elimination of vehicle decals. The cost center, in a further effort to enhance customer service, continues to promote the use of Global Express Bill Payment Centers. Global Express Centers operate at certain retail locations such as Shoppers Food & Pharmacy, Safeway Grocery Stores and several other convenience-type stores located throughout the County. Global Express Centers only accept cash payments for the Fairfax County personal property taxes. Three area banks, Bank of America, Sun Trust, and Wells Fargo, each have various branch locations that participate in the program. The bank locations accept both cash and check payments for personal property taxes. This wide variety of locations makes it more convenient for citizens to pay their personal property bills.

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
FUNDING				
Expenditures:				
Personnel Services	$15,584,493	$16,941,866	$17,182,416	$17,160,415
Operating Expenses	5,838,980	5,702,183	6,162,855	5,654,683
Total Expenditures	$21,423,473	$22,644,049	$23,345,271	$22,815,098
Income:				
Land Use Assessment Application Fees	$2,895	$1,241	$1,241	$1,241
Fees for Collection of Delinquent Taxes	2,003,308	1,900,747	2,032,650	2,032,650
State Shared DTA Expenses	1,670,679	1,557,998	1,720,799	1,720,799
State Shared Retirement - DTA	34,692	46,593	46,593	46,593
Total Income	$3,711,574	$3,506,579	$3,801,283	$3,801,283
NET COST TO THE COUNTY	$17,711,899	$19,137,470	$19,543,988	$19,013,815
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	283 / 283	283 / 283	283 / 283	283 / 283

FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 program.

- **Employee Compensation** **$218,549**
  An increase of $218,549 in Personnel Services reflects funding for a 1.29 percent market rate adjustment for all employees in FY 2015, effective July 2014.

- **PC Replacement** **($47,500)**
  A decrease of $47,500 is included for PC replacement charges to reflect both updated inventory counts and revised costs, primarily associated with licenses and software requirements, following the review of the PC Replacement Program conducted in FY 2014.

Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, and all other approved changes through December 31, 2013:

- **Carryover Adjustments** **$701,222**
  As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved funding of $701,222, including $240,550 in Personnel Services for a one-time compensation adjustment of $850 for merit employees paid in November 2013 and $460,672 in encumbered funding in Operating Expenses primarily associated with information technology and postage related costs.

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.

Department Supervision

The Department Supervision Cost Center oversees all DTA operations and takes the lead in the department's strategic planning and implementation process. As necessary, resources are reallocated across cost center 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.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$2,330,379	$1,588,435	$1,909,707	$1,574,932
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	13 / 13	13 / 13	13 / 13	13 / 13

1	Director of Tax Administration		Department Technical Section		Tax Relief
1	Administrative Assistant IV	1	Management Analyst IV	1	Financial Specialist IV
		3	Business Analysts IV	1	Management Analyst II
		1	IT Technician II	2	Management Analysts I
		1	Administrative Assistant IV		
		1	Administrative Assistant III		

TOTAL POSITIONS
13 Positions / 13.0 FTE

Real Estate

The Real Estate Cost Center 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. Virginia law requires that assessments be uniform and based on 100 percent of fair market value.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$6,682,748	$8,224,408	$8,315,358	$8,326,904
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	107 / 107	107 / 107	107 / 107	107 / 107

1	Director of Real Estate		Residential Appraisal		Clerical Support Branch
2	Assistant Directors	9	Supervising Appraisers	1	Management Analyst III
1	Management Analyst III	16	Senior Appraisers	1	Management Analyst II
1	Administrative Assistant III	32	Appraisers	3	Administrative Assistants V
				3	Administrative Assistants IV
	Board of Real Estate		Commercial Appraisal	16	Administrative Assistants III
	Assessments Equalization	5	Supervising Appraisers		
1	Administrative Assistant III	15	Senior Appraisers		

TOTAL POSITIONS
107 Positions / 107.0 FTE

Personal Property and Business License

The Personal Property and Business License Cost Center is responsible for the assessment of personal property (including vehicles and business equipment), business license taxes, and a variety of local license taxes such as transient occupancy tax, short term daily rental tax and bank franchise tax. In addition, this cost center includes the department's main call center that provides customer service support across cost center boundaries.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$5,517,235	$5,902,151	$5,991,201	$5,969,454
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	104 / 104	104 / 104	104 / 104	104 / 104

1	Director
1	Assistant Director
1	Financial Specialist III
1	Administrative Assistant III

Vehicle Assessments

1	Management Analyst II
3	Administrative Assistants IV
17	Administrative Assistants III
4	Administrative Assistants II

Tax Discovery and Compliance

1	Management Analyst III
3	Management Analysts II
6	Auditors III
14	Business Tax Specialists II
1	Administrative Assistant IV
2	Administrative Assistants III

Central Telephones and Records Management

1	Management Analyst II
4	Administrative Assistants IV
19	Administrative Assistants III
4	Administrative Assistants I

Business Taxes

1	Accountant II
2	Administrative Assistants V
1	Administrative Assistant IV
15	Administrative Assistants III
1	Business Tax Specialist II

TOTAL POSITIONS
104 Positions / 104.0 FTE

Revenue Collection

The Revenue Collection Cost Center 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. The cost center handles well over 1.5 million billing transactions per year.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$6,893,111	$6,929,055	$7,129,005	$6,943,808
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	59 / 59	59 / 59	59 / 59	59 / 59

1	Director
1	Management Analyst IV
1	Administrative Assistant III

Delinquent Tax Collections, Processing, and Cashiering

1	Management Analyst III
2	Management Analysts II
1	Management Analyst I
5	Administrative Assistants V
7	Administrative Assistants IV
18	Administrative Assistants III

Billing, Taxes Reconciliation, and Mass Pay

1	Management Analyst III
2	Management Analysts II
1	Accountant II
4	Administrative Assistants V
4	Administrative Assistants IV
10	Administrative Assistants III

TOTAL POSITIONS
59 Positions / 59.0 FTE

Key Performance Measures

Indicator	Prior Year Actuals FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/Actual	Current Estimate FY 2014	Future Estimate FY 2015
Department Supervision					
Percent change in 24/7 e-commerce transactions	5.2%	10.1%	1.0%/6.0%	1.0%	1.0%
Percent variance between estimated and actual revenues	0.1%	0.1%	0.3%/0.1%	0.1%	0.1%
Percentage of phone calls answered	79.8%	80.0%	80.0%/84.9%	82.0%	82.0%
Real Estate Division					
Coefficient of Dispersion	4.9	4.3	4.9/4.0	4.5	4.5
Personal Property and Business License Division					
Exonerations as a percent of total assessments	4.3%	3.5%	3.5%/3.5%	3.5%	3.5%
Revenue Collection Division					
Percent of current year taxes collected: Real Estate	99.67%	99.69%	99.64%/99.71%	99.65%	99.65%
Percent of current year taxes collected: Personal Property[1]	97.89%	98.15%	98.00%/98.35%	98.00%	98.00%
Percent of current year taxes collected: BPOL	98.83%	98.50%	98.80%/98.50%	98.50%	98.50%
Percent of unpaid accounts receivable collected	43%	43%	43%/26%	26%	26%

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

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2015/advertised/pm/57.pdf

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 2013, the department processed over 425,000 e-commerce transactions totaling over $188 million dollars.

FY 2013 data indicate an assessment-to-sales ratio of 93 percent. This was 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 4.0 in FY 2013. A low coefficient indicates that similar properties are assessed uniformly and, hence, equitably. A coefficient of 15 is considered good, while a value in the 4 to 14 range indicates excellent uniformity.

In FY 2013, the cost per dollar of Personal Property and BPOL levy was $0.01, consistent with the target, and exonerations were 3.5 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. In FY 2015, exonerations are projected to be at or below the 3.5 percent benchmark.

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 99.71 percent in FY 2013, reflecting a superb collection effort by the Revenue Collection Cost Center. 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 tax was 98.35 percent in FY 2013, exceeding the target of 98.00 percent. A collection rate of 98.50 percent was achieved for Business, Professional and Occupational License taxes in FY 2013. DTA will continue to work diligently to maintain high collection rates during FY 2014 and FY 2015.