

# **State Supplementation for County Assessors' Program**

- Application Form -

**Submitted by County of: FRESNO**

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Please submit applications to the following email address **no later than September 1, 2018:**

[SSCAPPROGRAM@DOF.CA.GOV](mailto:SSCAPPROGRAM@DOF.CA.GOV)

## Funding Requested, Assessed Values, and Staffing Levels

- Please Use Whole Numbers for Dollar Amounts -

1	Program funds requested per fiscal year (maximum of \$750,000 per fiscal year):	\$750,000	2018-19
		\$750,000	2019-20
		\$750,000	2020-21

2 Number of budgeted, permanent positions in Fiscal Year 2017-18, as will be reported to the Board of Equalization (BOE) for its report titled "A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices" (hereafter referred to as the Report):

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3 Total assessed value of county-assessed property in 2017-18: \$ 78,164,389,314

4 Number of new staff the Assessor's Office will add using Program funds and county matching funds: 8

5 The amount of Program funds and county matching funds that will be used to provide office space and supplies for the staff identified in Question 4 above. \$ 375,000

This is the situation. Fresno is in the process of migrating from the 60 year old legacy, 90% manual, property tax system (PTS) to the latest version of Megabyte's PTS. During the next two to three years we expect our productivity to suffer as we will be training staff and going through an historic transition. We also anticipate losing experienced staff who are close to retirement. We know of three appraisers that would rather retire than go through the rigors of learning a new system. This will, without a doubt, slow down our production which will have a negative effect on the tax roll. County matching funds of \$375,000 are available in the 2018-19 Budget from a Special Revenue Fund without any impact on the general fund. This money will be used for IT upgrades and will support the staff identified in Question 4 by streamlining their operation. In 2017-18 we used 17,425 Overtime (OT) hours which brought in over **\$1 Billion** increase in the tax roll, that means **\$10.1 Million** additional tax dollars added to the county's general fund. In 2016-17 we had a similar experience and added **\$750 million** to the tax roll. (**\$8.25 Million** to the general fund). The new SSCAP grant will fund much needed OT during the **LEAN YEARS** (2018-19 to 2020-21). As a professional accountant, Assessor Paul Dictos understands that since OT is not pensionable, if awarded this grant, **Fresno** will give the state **more bang for its buck**. Please see attached worksheet to understand how such additional production is allocated to the the applicable Tabs accompanying as set in your application form.

## New Construction

- Please Use Whole Numbers for Dollar Amounts -

6	The total value added to the property tax roll in 2017-18 through the assessment and enrollment of newly constructed property, as will be reported to the BOE for the Report:	592,928,060	
7	The number of new construction assessments completed in 2017-18 as will be reported to the BOE for the Report:	2,121	
8	The number of new construction assessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:	599	2018-19
		659	2019-20
		724	2020-21
9	Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll by assessing newly constructed property	\$ 352,875,000	2018-19
		\$ 388,162,500	2019-20
		\$ 426,978,750	2020-21

## Changes in Ownership

- Please Use Whole Numbers for Dollar Amounts -

10	The total value added to the property tax roll in 2017-18 through the assessment of real property that has changed ownership:	\$	<b>653,209,608</b>	
11	The number of change-in-ownership assessments completed in 2017-18:		<b>8,345</b>	
12	The number of change-in-ownership assessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:		<b>3,033</b>	2018-19
			<b>3,336</b>	2019-20
			<b>3,670</b>	2020-21
13	Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll through change-in-ownership assessments:	\$	<b>454,375,000</b>	2018-19
		\$	<b>499,812,500</b>	2019-20
		\$	<b>549,793,750</b>	2020-21

## Supplemental Assessments

- Please Use Whole Numbers for Dollar Amounts -

14	The total value added to the property tax roll in 2017-18 through supplemental assessments:	\$	1,578,431,544	
15	The number of supplemental assessments completed in 2017-18:		10,504	
16	The number of supplemental assessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:		1,902	2018-19
			2,092	2019-20
			2,301	2020-21
17	Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll through supplemental assessments:	\$	226,375,000	2018-19
		\$	249,012,500	2019-20
		\$	273,913,750	2020-21

## Property Modifications

- Please Use Whole Numbers for Dollar Amounts -

- 18 The total value added to the property tax roll in 2017-18 through reassessing modified real property: **NOT APPLICABLE**
- 19 The number of modified real property reassessments completed in 2017-18: \_\_\_\_\_
- 20 The number of modified real property reassessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:
- \_\_\_\_\_ 2018-19
- \_\_\_\_\_ 2019-20
- \_\_\_\_\_ 2020-21
- 21 Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll by reassessing modified real property:
- \_\_\_\_\_ 2018-19
- \_\_\_\_\_ 2019-20
- \_\_\_\_\_ 2020-21

## Escaped Assessments

- Please Use Whole Numbers for Dollar Amounts -

22	The total value added to the property tax roll in 2017-18 through assessing property that previously escaped	\$	484,626,244	
23	The number of escaped assessments completed in 2017-18:		4,592	
24	The number of escaped assessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:		236	2018-19
			260	2019-20
			286	2020-21
25	Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll by assessing property that previously escaped assessment:	\$	24,875,000	2018-19
		\$	27,362,500	2019-20
		\$	30,098,750	2020-21

## Proposition 8 Reassessments

- Please Use Whole Numbers for Dollar Amounts -

26	The total value added to the property tax roll in 2017-18 through reassessing property that was reduced in value under Proposition 8:	\$	543,271,742	
27	The number of Proposition 8 reassessments completed in 2017-18:		36,026	
28	The number of Proposition 8 reassessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:		5,519	2018-19
			6,071	2019-20
			6,788	2020-21
29	Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll through Proposition 8 reassessments:	\$	191,500,000	2018-19
		\$	210,650,000	2019-20
			231,715,000	2020-21

## Discovering Unassessed Property

- Please Use Whole Numbers for Dollar Amounts -

- 30 The total value added to the property tax roll in 2017-18 by discovering and assessing unassessed property: **NOT APPLICABLE**
- 31 The number of assessments of discovered property completed in 2017-18: \_\_\_\_\_
- 32 The number of discovered property assessments the Assessor's Office expects the staff identified in Question 4 on Tab 1 to complete in each fiscal year:
- \_\_\_\_\_ 2018-19
- \_\_\_\_\_ 2019-20
- \_\_\_\_\_ 2020-21
- 33 Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll by discovering and assessing unassessed property:
- \_\_\_\_\_ 2018-19
- \_\_\_\_\_ 2019-20
- \_\_\_\_\_ 2020-21

## Assessment Appeals

- Please Use Whole Numbers for Dollar Amounts -

34 The total value added to the property tax roll in 2017-18 by resolving assessment appeals:

**NOT APPLICABLE**

35 The number of assessment appeals resolved by Assessor's office staff in 2017-18, as will be reported to the BOE for the Report:

\_\_\_\_\_

36 The number of assessment appeals the Assessor's Office expects the staff identified in Question 4 on Tab 1 to resolve in each fiscal year:

\_\_\_\_\_

2018-19

\_\_\_\_\_

2019-20

\_\_\_\_\_

2020-21

37 Estimated value, by fiscal year, that the staff identified in Question 4 on Tab 1 will add to the property tax roll by resolving assessment appeals:

\_\_\_\_\_

2018-19

\_\_\_\_\_

2019-20

\_\_\_\_\_

2020-21

## Property Tax Audits

- Please Use Whole Numbers for Dollar Amounts -

- 38 The total value added to the property tax roll in 2017-18  
by completing property tax audits: **NOT APPLICABLE**
- 39 The number of property tax audits completed by  
Assessor's office staff in 2017-18: \_\_\_\_\_
- 40 The number of property tax audits the Assessor's  
Office expects the staff identified in Question 4 on Tab  
1 to complete in each fiscal year: \_\_\_\_\_  
2018-19 \_\_\_\_\_  
2019-20 \_\_\_\_\_  
2020-21 \_\_\_\_\_
- 41 Estimated value, by fiscal year, that the staff identified  
in Question 4 on Tab 1 will add to the property tax roll  
by completing property tax audits: \_\_\_\_\_  
2018-19 \_\_\_\_\_  
2019-20 \_\_\_\_\_  
2020-21 \_\_\_\_\_

## Information Technology System Improvements

- Please Use Whole Numbers for Dollar Amounts -

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Identify, by fiscal year, the number of assessment tasks expected to be completed using Program-funded information technology systems and software, and the estimated dollar value added to the property tax roll:

The year 2018-19 is the year the Assessor is embarking on changing from the legacy P/Ts to Megabyte. And although we are contributing \$1,125,000 as a match to the proposed SSCAP grant it is next to impossible to estimate the values that will be added via the new Megabyte system during the first year we therefore are offering estimates for the second and third years only.

		Number of assessment tasks:		Value added to the roll:
a	New Construction:	N/A	2018-19	N/A
		2,121	2019-20	<b>592,000,000</b>
		2,333	2020-21	<b>651,200,000</b>
				2018-19
b	Changes in Ownership:	N/A	2018-19	N/A
		8,345	2019-20	<b>653,000,000</b>
		9,180	2020-21	<b>718,300,000</b>
				2018-19
c	Supplemental Assessments:	N/A	2018-19	N/A
		10,504	2019-20	<b>1,500,000,000</b>
		11,554	2020-21	<b>1,650,000,000</b>
				2018-19
d	Modified Real Property Assessments:	N/A	2018-19	N/A
		N/A	2019-20	N/A
		N/A	2020-21	N/A
				2018-19

e Escaped Assessments:

N/A	2018-19	N/A	2018-19
4,592	2019-20	484,000,000	2019-20
5,051	2020-21	532,400,000	2020-21

f Prop 8 Reassessments:

N/A	2018-19	N/A	2018-19
35,000	2019-20	540,000,000	2019-20
38,500	2020-21	594,000,000	2020-21

g Discovering Unassessed Property:

N/A	2018-19	N/A	2018-19
N/A	2019-20	N/A	2019-20
N/A	2020-21	N/A	2020-21

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Provide a brief narrative description of how the IT system and software will increase functionality, staff productivity, and assessed valuation. Expand the text box if necessary:

As explained above, because of the transition from the 60 year old legacy system to Megabyte, we do not anticipate that our work to be processed through the new IT system. However, in the years 2019-20 and 2020-21, we expect to have functionality of the new PTS through internal workflow improvements including assignment of work to appraisers, increased use of direct enrollment, direct calculation of improvement costs from building plans and more automation in the business property workflow. We anticipate a 10% increase in our productivity from year 2019-20 to year 2020-21 to 5 FTE staffing positions. When the new PTS is fully functional we anticipate less math errors, less time to find, review and refile paper records and maps and quicker turnaround of all processes.

**PLEASE NOTE THAT THE ABOVE ASSESSMENT TASKS AND VALUES REPRESENT THE PRODUCTION AND OR ACTIVITIES OF THE ASSESSOR'S OFFICE WHICH INCLUDES THE 8 FTES THAT WILL BE CREATED WITH THE SSCAP GRANT. ALSO THE LOCAL THREE YEAR MATCH OF \$1,125,000 WILL BE EXCLUSIVELY SPENT ON IT EQUIPMENT.**

**FINANCIAL SUMMARY TO FRESNO COUNTY'S 2018-19 TO 2021 SSCAP APPLICATION**

ESTIMATED 20,000 OT HOURS	PROJECTED TAX ROLL VALUES BASED ON										100.00%
	28.23% Tab # 2 New Cons	36.35% Tab # 3 O C	18.11% Tab # 4 Supplemental	1.99% Tab # 6 Escapes	15.32% Tab # 7 Prop 8s	N/A Tab # 11 IT	Total				
2018-19	\$1,250,000,000	\$352,875,000	\$454,375,000	\$226,375,000	\$24,875,000	\$191,500,000	\$1,250,000,000				
2019-20	\$1,375,000,000	388,162,500	499,812,500	249,012,500	27,362,500	210,650,000	\$1,375,000,000				
2020-21	\$1,512,500,000	426,978,750	549,793,750	273,913,750	30,098,750	231,715,000	\$1,512,500,000				
Assessed Values	<b>\$4,137,500,000</b>	<b>\$1,168,016,250</b>	<b>\$1,503,981,250</b>	<b>\$749,301,250</b>	<b>\$82,336,250</b>	<b>\$633,865,000</b>	<b>\$4,137,500,000</b>				
STATE TOTAL SSCAP	<b>\$2,250,000</b>	\$635,175.00	\$817,875.00	\$407,475.00	\$44,775.00	\$344,700.00	\$2,250,000.00				
FRESNO TOTAL MATCH	<b>1,125,000</b>						1,125,000				
Grand total	<b>\$3,375,000</b>	<b>\$635,175.00</b>	<b>\$817,875.00</b>	<b>\$407,475.00</b>	<b>\$44,775.00</b>	<b>\$344,700.00</b>	<b>\$3,375,000.00</b>				

Ge **\$45,512,500**

Leverage **14:1**

The projections used above are based on the Assessor's two years experience using Overtime hours and achieving FTEs rather than hiring permanent staff. In 2018, 17,000+ of OT hours worked by experienced appraisers produced assessment values of over \$1 Billion, while proportionately less hours worked in 2017 produced \$750 assessed value. Under Column D we estimate that \$500,000 of OT will add \$1.25 Billion in the county's tax roll and we project a 10% increase for the next two years. The percentages on row 4 above are derived from production records of staff that worked the OT. The matching SSCAP grant on row 18 is allocated to the Assessor's activities using the same percentages as those derived from our past experience. Finally the \$1,125,000 of our three year match is allocated 100% to IT. Unlike the results of the overtime which are measurable at once, those of the IT will taking long to evaluate. That is the reason we assigned no values to the first year and then project the Department's performance based again on prior years' experience.