



State of Tennessee, Comptroller of the Treasury

Division of Property Assessments

2010 Annual Report

July 1, 2009 – June 30, 2010

To achieve success in administering Tennessee's Property Tax System, we hold to our Core Values in everything we do.

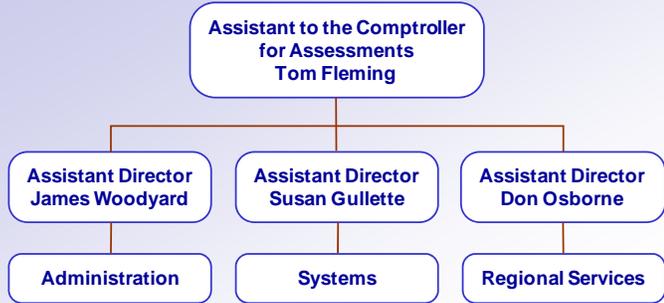
HONESTY AND INTEGRITY
ACCURACY AND RELIABILITY
ACCOUNTABILITY

The Core Values of the Division of Property Assessments are those values we hold which form the foundation on which we perform our work and conduct ourselves. We have many values, but some of them are so crucial, so important to us that throughout the changes in society, government, politics, and technology they are still the core values we will abide by. In an ever-changing world, Core Values are constant. Core Values are not descriptions of the work we do or the plans we implement to accomplish our mission. The Values underlie our work, how we interact with each other, and which strategies we employ to fulfill our mission. The Core Values are the basic elements of how we go about our work. They are the practices we use every day.

OUR GOALS

- 
 To ensure the professional administration of property tax programs in all taxing jurisdictions pursuant to T.C.A. § 67-1-201 through § 67-1-514, 1 through 10, T.C.A. § 67-5-101 through 67-5-1703.
- 
 To ensure a standardized record-keeping system for all property tax records through the continued use of the division's computerized appraisal and tax billing system.
- 
 To ensure an up-to-date and equitable property tax base in all taxing jurisdictions through continuing county reappraisal efforts and the maintenance of the division's Computer Assisted Appraisal System, pursuant to T.C.A. § 67-5-1601 through 67-5-1603.
- 
 To ensure a high degree of competency and a broad base of appraisal knowledge through the division's assessment certification and education program.
- 
 To administer the Property Tax Relief Program in a manner that all qualifying low-income elderly, disabled, disabled veterans and surviving spouses of disabled veterans will receive timely and accurate rebates.
- 
 To monitor and assist local jurisdictions with the Property Tax Freeze program through use of the Comptroller's web-based Tax Freeze System.
- 
 To accomplish appraisal ratio studies in every county as determined by the State Board of Equalization and pursuant to T.C.A. § 67-5-1604 through 67-5-1606.
- 
 To monitor on-site review and valuation of properties, provide valuation assistance, develop valuation indexes and audit assessor performance in accordance with T.C.A. § 67-5-1601 (d) (1).

Organization



Budget Reduction & Costs Savings Measures

As part of the Division of Property Assessments' effort to reduce operating expenses, these budget reduction and cost savings measures were enacted in Fiscal Year (FY) 2009-2010.

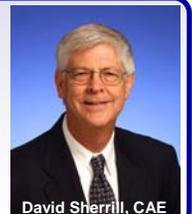
- **Office consolidation** - The Nashville Airport regional field office was closed and personnel were consolidated in remaining offices.
- **Staff downsizing** - The division continues to consolidate work assignments and eliminate vacant positions.
- **Travel pay reductions** - An increased emphasis on well planned and monitored official travel has been implemented.
- **Reappraisal grants** - FY 2009-2010 reappraisal grants to counties were decreased by \$600,000.



Tom Fleming, CAE

Upon the retirement of David Sherrill, CAE, director of the Division of Property Assessments from November 2003 till March 2010, the division returned to my leadership. It is with gratitude for his dedication and support of the division during his tenure that I dedicate this report. I want to thank David for his outstanding leadership.

Tom Fleming, CAE



David Sherrill, CAE

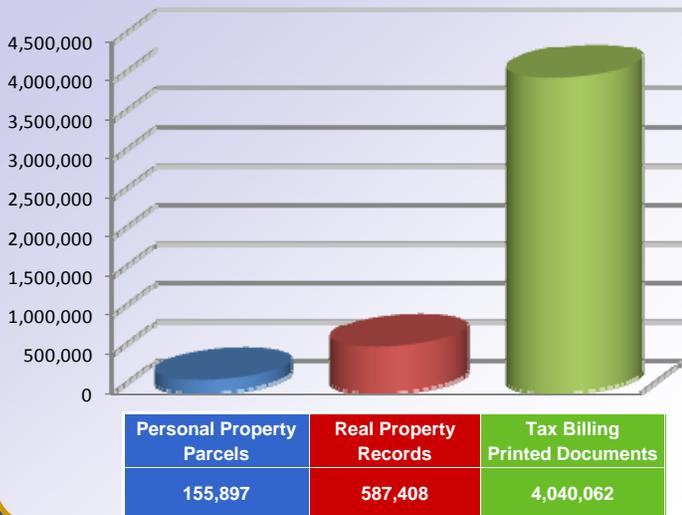


Visit us on the web at www.tn.gov/comptroller/pa/

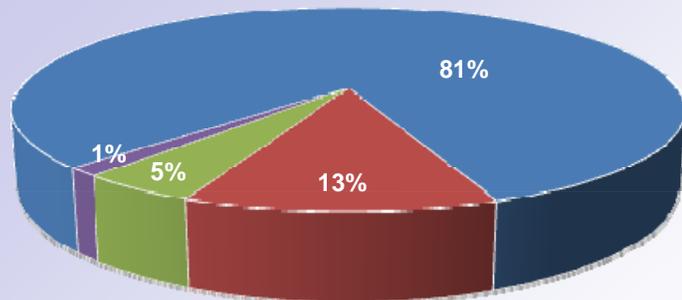
ADMINISTRATION

- During Fiscal Year (FY) 2009-2010, technical appraisal training was provided to 256 students through 13 courses and workshops that were held in various locations across the state.
- The County Equalization Board Seminars were attended by 393 participants in 5 locations across the state.
- The Joint Assessor/Trustee seminars were attended by 332 participants in 3 locations across the state.
- The Assessor Retreat was attended by 170 state and county government participants representing 69 counties from across the state.
- Currently the Assessor Certification and Education Program has 20 CAE, 58 TMA and 29 TCA Certification holders that are active.
- The State Board of Equalization will make incentive compensation payments (county employees only) to 8 CAE, 33 TMA and 23 TCA certificate holders in good standing.
- The Assessment Certification and Education Program awarded six (6) Tennessee Master Assessor (TMA), and six (6) Assessment Level 1 certifications.

2009 Parcels/Records Processed by Assessment Systems



Percentage of Tax Year 2009 Tax Relief Claims by Classification



	Elderly	Disabled	Disabled Veterans	Widow(er) of Disabled Veteran
Number of Claims*	115,092	18,038	6,526	2,144
Average Payment per Claim	\$129.55	\$122.27	\$601.94	\$621.51
Total Amount of Payments	\$14,910,690	\$2,205,506	\$3,928,260	\$1,332,517

*This chart represents claims. An applicant may have both a county and city claim.



Comptroller of the Treasury, Division of Property Assessments.
 Authorization No. 307185, 200 copies, June 30, 2010. This public document was promulgated at a cost of \$0.93 per copy.



SYSTEMS

- **The Integrated Multi Processing of Administrative and CAMA Technology (IMPACT)** system is the largest software application project today in the Office of the Comptroller. IMPACT replaces multiple legacy systems and databases, plus a variety of individual spreadsheets and charts. Among the many benefits of IMPACT, the new system introduces a single relational database that allows the business areas to share dependent data, removing redundant manual entry and reconciliation tasks.

Plans are being completed for county implementation in fiscal year 2010-2011.

- ◆ User acceptance plan
- ◆ Training for trainers
- ◆ Training materials
- ◆ County implementation schedule

The IMPACT project team continues to focus on testing and that the following requirements are met prior to IMPACT's move to production:

- ◆ System architecture
- ◆ Interfaces to other state systems
- ◆ Data conversion
- ◆ System functionality

- **Assessment Systems**

Assessment Systems assists local tax authorities (Counties and Cities) with the preparation of annual tax billing data. Assessment Systems is comprised of 9 employees located in the DPA's Nashville office.

- ◆ Approximately 587,408 Assessment Change Notices (records) were printed and delivered to counties for mailing to the property owners
- ◆ 155,897 personal property parcels were processed
- ◆ 243,952 property tax receipts were printed
- ◆ 1,702,717 property tax notices were printed
- ◆ Property tax rolls containing 2,093,393 parcels were printed

- **Tax Relief**

The property tax relief program helps pay the taxes or a portion of an elderly, disabled, disabled veteran or widow(er) homeowner's taxes who meet the criteria. Tax relief is comprised of 12 employees located in the DPA's Nashville office.

- ◆ During Fiscal Year (FY) 2009-2010, the state legislature appropriated \$22,800,000 to fund the Property Tax Relief Program. The combined income limit for elderly and disabled homeowners and their spouses was increased to \$25,360
- ◆ 141,800 claims were processed representing over 96,000 applicants.
- ◆ 118,778 Application Credit Vouchers (ACVs) and 18,169 Disbursement Vouchers (DVs) were submitted via the Tax Relief Web online system.
- ◆ 4,853 vouchers were submitted by paper

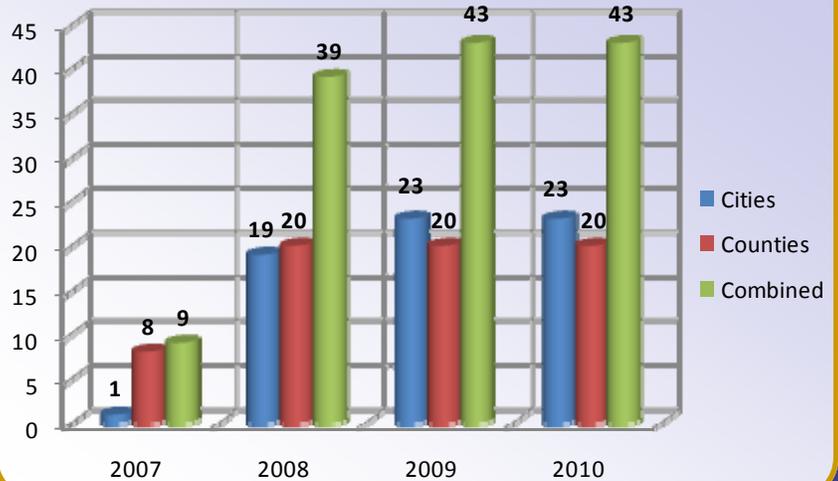
- **Tax Freeze**

- ◆ The Property Tax Freeze program has been adopted by 20 counties and 23 cities across the state

SPECIAL PROJECTS

- A significant amount of Special Projects resources are dedicated to the IMPACT project. Activities related to IMPACT included:
 - ◆ Participation in Stakeholder and Core Team meetings
 - ◆ Data conversion validation
 - ◆ Coordination of system testing
 - ◆ Coordination with OSAP regarding parcel ID matching
 - ◆ Coordination of Apex sketch software conversion and integration issues
 - ◆ Training of IMPACT users on Apex sketch software
- In addition to the IMPACT project, Special Projects was also involved with the following:
 - ◆ Consultation on Tax Freeze issues
 - ◆ Assistance with 2010 flood proration procedures
 - ◆ Participation in GIS Parcel Working Group with OLG and OIR/GIS Services
 - ◆ Participation in discussion group on Tax Increment Financing issues

Total Number of Tax Freeze Jurisdictions by Year



LEGAL SERVICES

The 106th General Assembly returned to the Capitol on January 12, 2010 for their second session. Upon starting the regular session Governor Bredesen immediately called the Legislature into an extraordinary session to concentrate on education and worker compensation issues. While the Legislature had hoped to adjourn by late April, a continued downturn in the economy resulting in a further decrease in revenues kept the legislators in session until June 9th to deal with adopting a balanced budget. The following legislation was passed during the 2010 Session that will affect property tax administration along with one relevant opinion from the Attorney General's Office.

- **Appeals**
 - ◆ Appeals before the State Board of Equalization - Public Chapter 1074
- **Centrally Assessed Utilities**
 - ◆ Mitigating Forced Assessments – Public Chapter 1036 (Section 1)
 - ◆ Motor Carriers – Public Chapter 942
- **Exemptions**
 - ◆ Religious Institution – Public Chapter 1036 (Section 2)
 - ◆ Low-Income Housing – Public Chapter 889
- **Greenbelt**
 - ◆ Rollback Value – Public Chapter 928
- **Proration of Property - Disaster Relief**
 - ◆ Proration of Real Property Damaged – Public Chapter 1036 (Section 3)
 - ◆ Proration of Tangible Personal Property Damaged – Public Chapter 1134 (Section 58)
- **Valuation**
 - ◆ Pollution Control Property – Public Chapter 1134 (Section 41)
- **Collection**
 - ◆ Municipal Collection – Public Chapter 932
 - ◆ Delinquent Property Taxes/Undivided Interest – Public Chapter 1007
 - ◆ Delinquent Property Taxes – Public Chapter 1014
 - ◆ Partial Payments - Public Chapter 660
 - ◆ Redemption - Public Chapter 711
- **Miscellaneous**
 - ◆ County Boundaries – Public Chapter 739
- **Attorney General Opinions**
 - ◆ Greenbelt Rollback Tax Liability on Land Converted to Exempt Status (Opinion No. 10-71)

Detailed information on this legislation can be found on the Tennessee General Assembly's website at www.capitol.tn.gov.

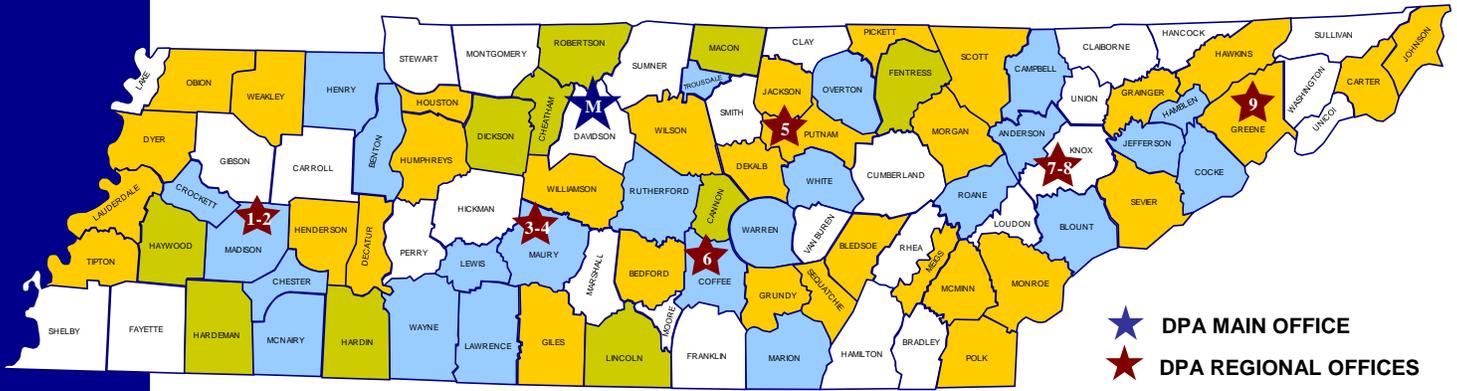
REGIONAL SERVICES

Regional Services is comprised of approximately 70 employees assigned to 9 Assessment Regions operating in 6 field offices located throughout the state, as well as in the division's downtown Nashville office.

- Appraisal ratio studies were performed in thirty-two (32) counties for 2010 pursuant to T.C.A. § 67-5-1604 and 1605.
- Twenty-four (24) counties were reappraised in accordance with reappraisal plans submitted by assessors of property and approved by the SBOE pursuant to T.C.A. § 67-5-1601.
- Current Value Update analysis was performed in ten (10) counties in accordance with T.C.A. § 67-5-1601.
- Monitoring activities were conducted in all 95 counties to ensure the accuracy of the property characteristic data, sales information, mapping and administrative functions.
- County personal property audit programs initiated in January 2000 continue to improve the uniformity and equity of personal property.
- State reappraisal grants totaling \$1,583,000 were administered to all 95 counties.



REGIONAL SERVICES - CONTINUED



DPA OFFICES

DPA Main Office (Nashville)
James K. Polk State Office
Building, Suite 1400
505 Deaderick Street
Nashville, TN 37243
(615) 401-7737

Jackson DPA (Regions 1&2)
225 Martin Luther King Dr.
Lowell Thomas State Office
Building
Tower A, Suite 400
Jackson, TN 38301
(731) 426-5629

Columbia DPA (Regions 3&4)
2486 Park Plus Drive
Suite B
Columbia, TN 38401
(931) 381-7588

Cookeville DPA (Region 5)
929 W. Jackson Street
Suite C
Cookeville, TN 38501
(931) 528-3563

Tullahoma DPA (Region 6)
110 Mitchell Blvd.
Suite A
Tullahoma, TN 37388
(931) 393-3320

Knoxville DPA (Regions 7&8)
12 Oaks Executive Park
5401 Kingston Pike
Building 2, Suite 350
Knoxville, TN 37919
(865) 594-6132

Greeneville DPA (Region 9)
980 Old Stage Road
Greeneville, TN 37745
(423) 639-6043

● 2010 REAPPRAISAL COUNTIES
 ● 2010 APPRAISAL RATIO STUDY COUNTIES
 ● 2010 CVU COUNTIES

COUNTY	2009 PARCEL COUNTS	2010 APPRAISAL RATIOS	FY 09-10 REAPPRAISAL GRANTS	COUNTY	2009 PARCEL COUNTS	2010 APPRAISAL RATIOS	FY 09-10 REAPPRAISAL GRANTS
ANDERSON	37,172	1.0000	\$18,056	LAUDERDALE	13,660	0.9594	\$6,679
BEDFORD	21,604	0.9710	\$10,546	LAWRENCE	23,899	1.0000	\$11,572
BENTON	16,420	1.0000	\$8,028	LEWIS	7,643	1.0000	\$3,740
BLED SOE	11,232	0.9429	\$5,496	LINCOLN	18,862	0.9694	\$9,126
BLOUNT	65,954	1.0000	\$32,063	LOUDON	33,512	1.0000	\$16,396
BRADLEY	46,609	1.0000	\$22,651	MACON	13,341	1.0000	\$6,509
CAMPBELL	29,930	1.0000	\$14,617	MADISON	47,460	1.0000	\$23,083
CANNON	7,661	0.9893	\$3,743	MARION	20,555	1.0000	\$9,985
CARROLL	18,672	0.9500	\$9,109	MARSHALL	16,821	0.9355	\$7,983
CARTER	32,557	0.8353	\$15,810	MAURY	41,169	1.0000	\$19,807
CHEATHAM	20,741	0.9529	\$10,105	MCMINN	30,545	0.9731	\$14,865
CHESTER	9,392	1.0000	\$4,537	MCNAIRY	18,104	1.0000	\$8,791
CLAIBORNE	23,162	0.8540	\$11,301	MEIGS	9,196	0.9175	\$4,430
CLAY	6,787	0.9521	\$3,322	MONROE	28,955	1.0000	\$14,046
COCKE	25,014	1.0000	\$12,111	MONTGOMERY	65,585	1.0000	\$31,700
COFFEE	29,908	1.0000	\$14,646	MOORE	3,869	0.9181	\$1,890
CROCKETT	9,658	1.0000	\$4,719	MORGAN	15,282	0.9262	\$7,317
CUMBERLAND	65,558	0.9690	\$31,996	OBION	19,689	0.9535	\$9,635
DAVIDSON	236,506	1.0000	\$114,062	OVERTON	14,893	1.0000	\$7,251
DECATUR	13,332	0.9411	\$6,502	PERRY	7,737	1.0000	\$3,779
DEKALB	17,770	1.0000	\$8,692	PICKETT	5,738	0.9816	\$2,802
DICKSON	26,044	0.9817	\$12,678	POLK	12,874	1.0000	\$6,249
DYER	21,125	1.0000	\$10,347	PUTNAM	36,025	0.9180	\$17,431
FAYETTE	23,092	1.0000	\$11,176	RHEA	24,134	1.0000	\$11,740
FENTRESS	16,301	0.9302	\$7,855	ROANE	36,235	1.0000	\$17,637
FRANKLIN	24,593	0.9444	\$11,960	ROBERTSON	34,074	0.9864	\$16,608
GIBSON	29,534	1.0000	\$14,432	RUTHERFORD	98,404	1.0000	\$48,567
GILES	17,875	0.8933	\$8,745	SCOTT	14,994	1.0000	\$7,255
GRAINGER	15,862	0.9515	\$7,690	SEQUATCHIE	11,454	0.9553	\$5,518
GREENE	43,087	1.0000	\$21,055	SEVIER	80,433	0.9200	\$38,919
GRUNDY	11,021	0.9420	\$5,262	SHELBY	351,729	1.0000	\$173,250
HAMBLEN	30,106	1.0000	\$14,713	SMITH	11,667	0.9065	\$5,703
HAMILTON	152,387	1.0000	\$73,317	STEWART	12,135	1.0000	\$5,945
HANCOCK	5,983	0.8771	\$2,927	SULLIVAN	85,795	1.0000	\$41,857
HARDEMAN	20,502	0.9643	\$10,049	SUMNER	71,415	1.0000	\$34,768
HARDIN	25,788	0.9340	\$12,601	TIPTON	30,508	1.0000	\$14,888
HAWKINS	38,782	0.8742	\$18,910	TROUSDALE	4,833	1.0000	\$2,339
HAYWOOD	11,517	0.9330	\$5,725	UNICOI	11,316	0.8973	\$5,525
HENDERSON	17,551	0.8933	\$8,578	UNION	14,922	0.9429	\$7,241
HENRY	25,650	1.0000	\$12,562	VAN BUREN	9,545	1.0000	\$3,716
HICKMAN	18,508	1.0000	\$9,101	WARREN	22,348	1.0000	\$10,904
HOUSTON	6,262	1.0000	\$3,070	WASHINGTON	57,463	1.0000	\$27,991
HUMPHREYS	12,765	1.0000	\$6,245	WAYNE	12,653	1.0000	\$6,193
JACKSON	8,987	0.9935	\$4,412	WEAKLEY	19,958	0.9738	\$9,771
JEFFERSON	33,472	1.0000	\$16,169	WHITE	16,848	1.0000	\$8,226
JOHNSON	14,208	0.8060	\$6,902	WILLIAMSON	75,501	0.9509	\$34,965
KNOX	190,854	1.0000	\$92,757	WILSON	52,169	1.0000	\$25,156
LAKE	3,896	1.0000	\$1,902	TOTAL	3,257,338		\$1,583,000

