

# 2016 ANNUAL REPORT

## DIVISION OF PROPERTY ASSESSMENTS

July 1, 2015 - June 30, 2016

Hernando de Soto Bridge - Memphis, TN

Photo by Catherine Nelson



**T***o achieve success in administering Tennessee's Property Tax System, we hold to our Core Values in everything we do.*

**HONESTY - INTEGRITY - ACCURACY - 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 ARE ...

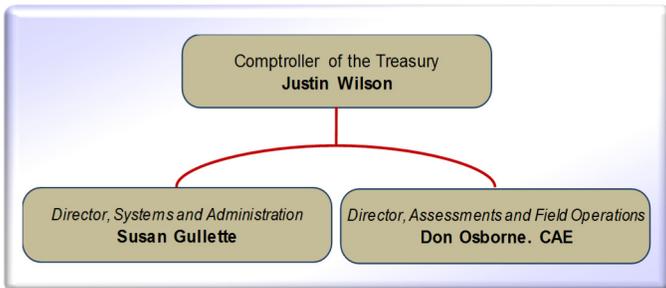
- To ensure the professional administration of property tax programs in all taxing jurisdictions pursuant to T.C.A. § 67-1-201 through 67-1-514, 1 through 10, T.C.A. § 67-5-101 through 67-5-1703.
- To ensure a standardized record-keeping system for all property tax records through the continued use of 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 mass 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.
- 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).

## ADMINISTRATION

The Administration section is responsible for managing the Assessor Certification and Education Program in addition to the development, implementation, and monitoring of the division's annual operating budget. Administration also oversees the annual strategic plan and risk assessment for the division.

- During Fiscal Year (FY) 2016, technical appraisal training was provided to 262 students through 17 courses and workshops that were held in various locations across the state.
- The County Equalization Board Seminars were attended by approximately 288 participants in 5 locations across the state.
- The Personal Property Seminars were attended by approximately 203 participants in 4 locations across the state.
- The 2015 Assessor Retreat was attended by approximately 194 state and county government participants representing 63 counties from across the state.
- Currently the Assessment Certification and Education Program has a total of 69 Tennessee Master Assessor (TMA) and 86 Tennessee Certified Assessor (TCA) certification holders, in addition to 9 Certified Assessment Evaluator (CAE), 13 Residential Evaluation Specialist (RES), 17 Assessment Administration Specialist (AAS) and 8 Cadastral Mapping Specialist (CMS) IAAO designation holders that are active.
- The Assessment Certification and Education Program awarded 4 TMA, No Assessment Level IV, 6 TCA, 14 Assessment Level II, and 14 Assessment Level I certifications this fiscal year.
- The State Board of Equalization will make incentive compensation payments (county employees only) to 6 CAE, 41 TMA and 25 TCA designation/certification holders in good standing.

### Property Assessments Organization



## SYSTEMS

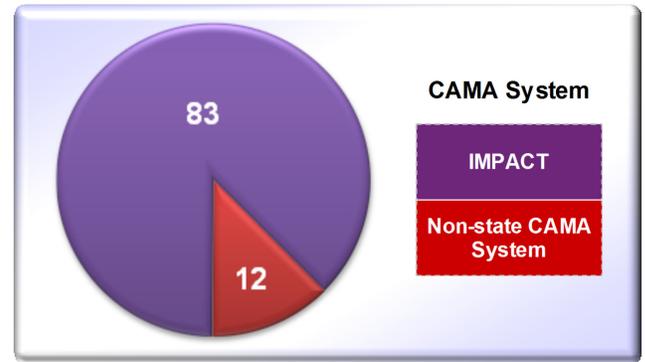
- **The Integrated Multi Processing of Administrative and CAMA Technology (IMPACT)** system is the largest software application project today in the Office of the Comptroller. IMPACT replaces multiple legacy systems and databases, plus a variety of individual spreadsheets and charts. Among the many benefits 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.



- ♦ Training is conducted by personnel from our area offices. This continues to be successful. The area office personnel are familiar with the individual county offices, as most of them have been working with them for years. Having local staff train also allows for more individual time with the users. Training consists of a mix of lecture and hands on exercises for a period of five days. This process has been very well received by both trainers and county staff users.

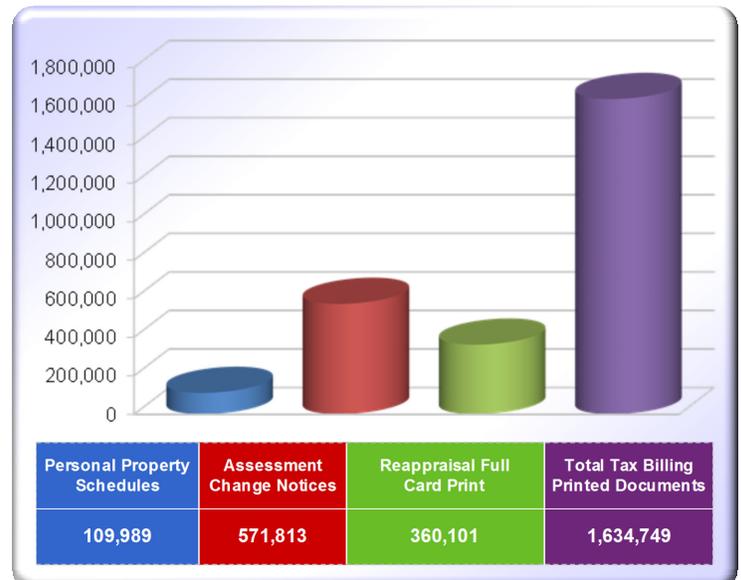
## Tennessee CAMA Systems

\*There are no longer any counties using the CAAS system.



- ♦ For FY 2016, 83 counties are currently on the IMPACT system.
- **Assessment Systems** is comprised of 11 employees located in the DPA's Nashville office. Assessment Systems assists both county and city local tax authorities with the preparation of their annual tax billing documents and data.
  - ♦ **Computer Assisted Appraisal System (CAAS)**
    - ✓ 10,237 property tax roll pages were printed (24 parcels per page)
    - ✓ 72,284 property tax notices were printed
    - ✓ 41,559 property tax receipts were printed
  - ♦ **IMPACT**
    - ✓ 109,989 personal property schedules were printed
    - ✓ 571,813 assessment change notices were printed\*
    - ✓ 360,101 reappraisal full cards were printed
    - ✓ 130,707 property tax roll pages were printed (24 parcels per page)
    - ✓ 331,550 property tax notices were printed
    - ✓ 95,974 property tax receipts were printed

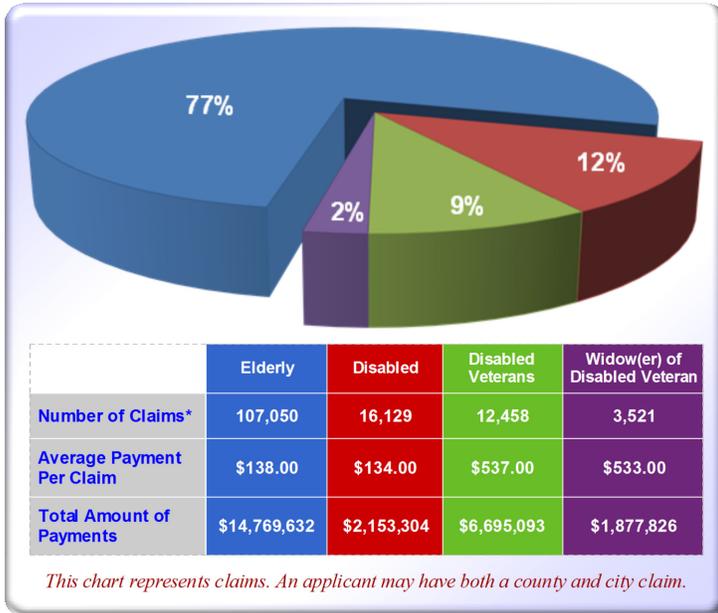
### 2015 Parcels/Records Processed by Assessment Systems



- **Property Tax Relief** is comprised of 12 employees located in the DPA's Nashville office that process all Tax Relief applications statewide. 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.
  - ◆ For FY 2016, \$35.4 million was appropriated for the Tax Year (TY) 2015 Tax Relief Program. The pie chart (below) represents the dollar amount paid to each classification across the state.
  - ◆ The Tax Relief Program sent out over 140,000 vouchers to returning applicants to assist with property taxes for TY 2015.
  - ◆ Over 16,000 new applications were received for TY 2015.
  - ◆ Over 153,000 claims were approved for TY 2015 totaling over \$26 million.

### Percentage of Tax Year 2015 Tax Relief Claims by Classification

*\*TY 2015 processing is not complete. Pending applications are not included.*



- **Property Tax Freeze** was enacted in 2007 and since its enactment the Property Tax Freeze Program has been adopted by 23 counties and 29 cities across the state.

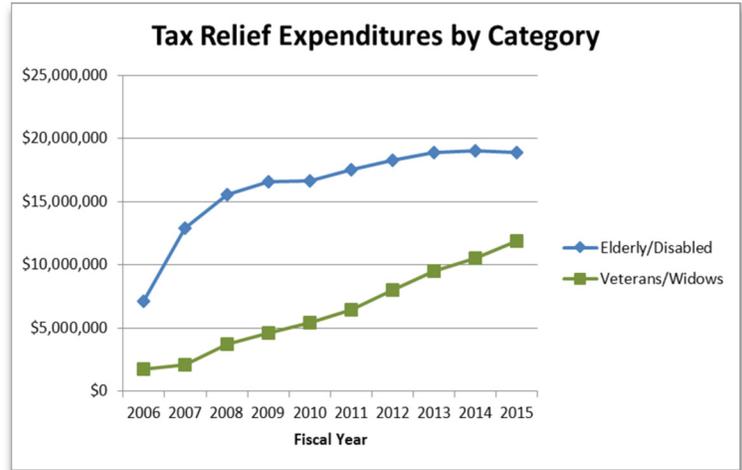
## SPECIAL PROJECTS

- Work accomplished relative to special projects during FY 2015-2016:
  - ◆ GIS
    - ✓ Implemented the local version of the IMPACT property record card for use with the state *MapViewer* GIS viewing and analysis application
    - ✓ Provided weekly data updates for the card to users via FTP
  - ◆ IMPACT
    - ✓ Completed data conversion for 3 counties migrating from other CAMA systems to IMPACT
    - ✓ Conducted research and resolution of technical issues
    - ✓ Conducted testing of enhancements
  - ◆ Tax Freeze
    - ✓ Conducted Tax Freeze training sessions for IMPACT and non-IMPACT counties

- ✓ Provided presentations to county/city governing bodies interested in learning more about Tax Freeze

#### ◆ Tax Relief

- ✓ Provided data, analysis and projections for Tax Relief legislation



## LEGAL SERVICES

The following is a summary of legislation that passed during the 2016 Session that will affect property tax administration along with relevant opinions from the Attorney General's Office.

### • Tennessee Attorney General Opinions

- ◆ Opinion No. 16-12

### • Comptroller Legislation

- ◆ Public Chapter No. 588
- ◆ Public Chapter No. 685
- ◆ Public Chapter No. 777
- ◆ Public Chapter No. 938

### • Other Legislation Involving Property/Property Taxes

- ◆ Public Chapter No. 617
- ◆ Public Chapter No. 642
- ◆ Public Chapter No. 853
- ◆ Public Chapter No. 1065
- ◆ Public Chapter No. 1085

*Detailed information on this legislation can be found on the Tennessee General Assembly's website at [www.capitol.tn.gov](http://www.capitol.tn.gov).*

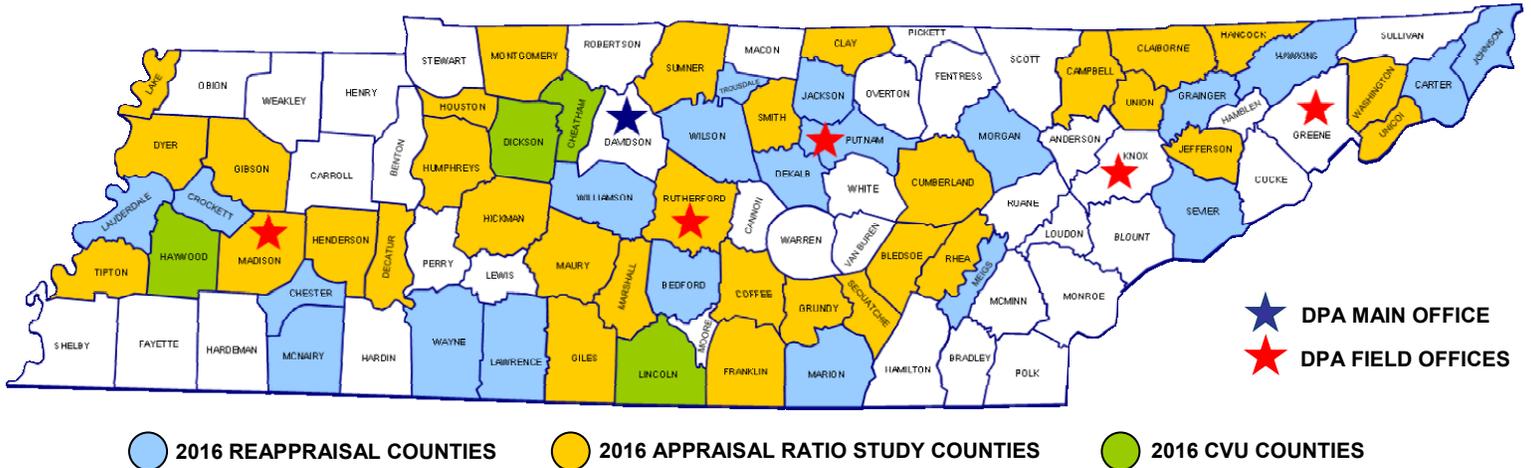
Visit us on the web at [www.comptroller.tn.gov/pa/](http://www.comptroller.tn.gov/pa/)

# FIELD OPERATIONS

Field Operations is comprised of approximately 61 employees assigned to 3 assessment areas operating in 5 field offices located throughout the state, as well as in the DPA's Nashville office. The field staff monitors the quality and quantity of annual maintenance and the visual inspection cycle and reappraisal programs performed by the assessors. In addition, Field Operations also provides technical assistance to assessors, develops current value updates, conducts appraisal ratio studies, and assists in defending property values in appeals as requested.

- Appraisal ratio studies were performed in 32 counties for 2016 pursuant to T.C.A. § 67-5-1604 and 1605.

- Twenty-one (21) 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 4 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 1998 continue to improve the uniformity and equity of personal property.



| COUNTY     | 2015 PARCEL COUNTS | 2016 APPRAISAL RATIOS | COUNTY     | 2015 PARCEL COUNTS | 2016 APPRAISAL RATIOS | COUNTY       | 2015 PARCEL COUNTS | 2016 APPRAISAL RATIOS |
|------------|--------------------|-----------------------|------------|--------------------|-----------------------|--------------|--------------------|-----------------------|
| ANDERSON   | 37,761             | 1.0000                | HAMILTON   | 153,321            | 0.9700                | MORGAN       | 15,502             | 1.0000                |
| BEDFORD    | 21,852             | 1.0000                | HANCOCK    | 6,063              | 1.0985                | OBION        | 19,898             | 0.9808                |
| BENTON     | 16,419             | 1.0000                | HARDEMAN   | 20,577             | 0.9586                | OVERTON      | 15,057             | 1.0000                |
| BLEDSON    | 11,536             | 1.0157                | HARDIN     | 26,573             | 0.9368                | PERRY        | 8,040              | 1.0000                |
| BLOUNT     | 67,201             | 1.0000                | HAWKINS    | 39,571             | 1.0000                | PICKETT      | 5,853              | 1.0188                |
| BRADLEY    | 47,418             | 0.9408                | HAYWOOD    | 11,413             | 0.9908                | POLK         | 13,001             | 1.0270                |
| CAMPBELL   | 30,042             | 0.9808                | HENDERSON  | 18,122             | 0.9585                | PUTNAM       | 36,640             | 1.0000                |
| CANNON     | 7,828              | 0.9623                | HENRY      | 25,743             | 1.0000                | RHEA         | 24,556             | 1.0000                |
| CARROLL    | 19,335             | 1.0000                | HICKMAN    | 18,462             | 0.9597                | ROANE        | 36,217             | 1.0000                |
| CARTER     | 32,723             | 1.0000                | HOUSTON    | 6,342              | 0.9567                | ROBERTSON    | 34,714             | 0.9576                |
| CHEATHAM   | 21,159             | 1.0000                | HUMPHREYS  | 12,898             | 0.9322                | RUTHERFORD   | 101,973            | 0.9095                |
| CHESTER    | 9,760              | 1.0000                | JACKSON    | 9,020              | 1.0000                | SCOTT        | 15,806             | 1.0189                |
| CLAIBORNE  | 23,627             | 0.9475                | JEFFERSON  | 34,149             | 0.9611                | SEQUATCHIE   | 11,801             | 0.9773                |
| CLAY       | 6,686              | 0.9191                | JOHNSON    | 14,499             | 1.0000                | SEVIER       | 81,680             | 1.0000                |
| COCKE      | 25,698             | 1.0000                | KNOX       | 191,846            | 0.9634                | SHELBY       | 351,249            | 0.9459                |
| COFFEE     | 30,173             | 0.9378                | LAKE       | 3,916              | 0.9990                | SMITH        | 12,348             | 0.9318                |
| CROCKETT   | 9,919              | 1.0000                | LAUDERDALE | 13,801             | 1.0000                | STEWART      | 12,066             | 1.0000                |
| CUMBERLAND | 66,223             | 0.9875                | LAWRENCE   | 24,262             | 1.0000                | SULLIVAN     | 86,723             | 0.9651                |
| DAVIDSON   | 241,278            | 0.8822                | LEWIS      | 7,868              | 1.0000                | SUMNER       | 73,572             | 0.9168                |
| DECATUR    | 13,663             | 0.9709                | LINCOLN    | 19,137             | 0.9643                | TIPTON       | 30,539             | 0.9538                |
| DEKALB     | 17,850             | 1.0000                | LOUDON     | 33,885             | 0.9750                | TROUSDALE    | 4,805              | 1.0000                |
| DICKSON    | 26,420             | 1.0000                | MCMINN     | 30,922             | 0.9709                | UNICOI       | 11,299             | 0.9659                |
| DYER       | 21,341             | 0.9495                | MCNAIRY    | 18,436             | 1.0000                | UNION        | 15,242             | 0.9957                |
| FAYETTE    | 23,470             | 0.9447                | MACON      | 13,686             | 1.0000                | VAN BUREN    | 7,406              | 1.0000                |
| FENTRESS   | 16,331             | 1.0000                | MADISON    | 47,946             | 0.9949                | WARREN       | 22,657             | 1.0000                |
| FRANKLIN   | 24,806             | 0.9623                | MARION     | 21,074             | 1.0000                | WASHINGTON   | 60,142             | 0.9750                |
| GIBSON     | 30,132             | 0.9815                | MARSHALL   | 16,843             | 0.8617                | WAYNE        | 12,792             | 1.0000                |
| GILES      | 18,206             | 0.9469                | MAURY      | 41,749             | 0.8994                | WEAKLEY      | 20,141             | 0.9584                |
| GRAINGER   | 16,187             | 1.0000                | MEIGS      | 9,330              | 1.0000                | WHITE        | 17,146             | 1.0000                |
| GREENE     | 43,550             | 0.9826                | MONROE     | 29,088             | 0.9993                | WILLIAMSON   | 82,149             | 1.0000                |
| GRUNDY     | 10,959             | 0.9640                | MONTGOMERY | 72,977             | 0.9915                | WILSON       | 55,339             | 1.0000                |
| HAMLEN     | 30,333             | 1.0000                | MOORE      | 3,965              | 0.9924                | <b>TOTAL</b> | <b>3,313,723</b>   |                       |