

DIVISION OF PROPERTY ASSESSMENTS

JULY 1, 2016 - JUNE 30, 2017

To 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.



Celebrating 50 Years of Excellence in Assessments

OUR GOALS ARE ...

- To ensure the professional administration of property tax programs in all taxing jurisdictions pursuant to Tenn. Code Ann. §§ 67-1-201 through 67-1-514, 1 through 10, Tenn. Code Ann. §§ 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 Tenn. Code Ann. §§ 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 pursuant to Tenn. Code Ann. §§ 67-5-701 through 67-5-704.
- To monitor and assist local jurisdictions with the Property Tax Freeze program pursuant to Tenn. Code Ann. § 67-5-705.
- To accomplish appraisal ratio studies in every county as determined by the State Board of Equalization and pursuant to Tenn. Code Ann. §§ 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 Tenn. Code Ann. § 67-5-1601(d)(1).

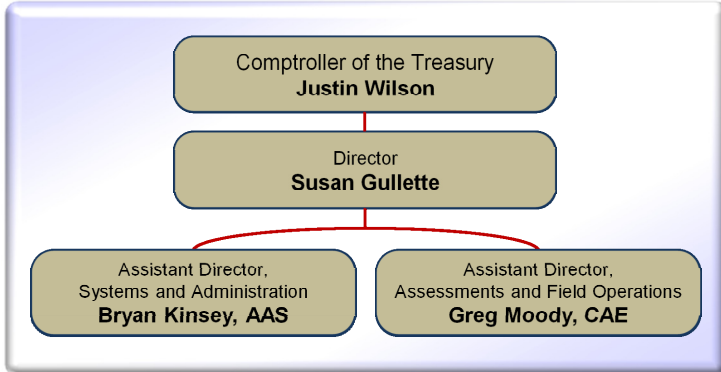
2017 ANNUAL REPORT

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) 2017, technical appraisal training was provided to 399 students through 15 courses and workshops that were held in various locations across the state.
- The County Equalization Board Seminars were attended by approximately 333 participants in 6 locations across the state.
- The Personal Property Workshops were attended by approximately 184 participants in 4 locations across the state.
- The 2016 Assessor Retreat was attended by approximately 206 state and county government participants representing 74 counties from across the state.
- Currently the Assessment Certification and Education Program has a total of 81 Tennessee Master Assessor (TMA) and 91 Tennessee Certified Assessor (TCA) certification holders, in addition to 7 Certified Assessment Evaluator (CAE), 12 Residential Evaluation Specialist (RES), 24 Assessment Administration Specialist (AAS) and 8 Cadastral Mapping Specialist (CMS) IAAO designation holders that are active.
- The Assessment Certification and Education Program awarded 19 TMA, 10 Assessment Level IV, 9 TCA, 26 Assessment Level II, and 18 Assessment Level I certifications this fiscal year.
- The State Board of Equalization will make incentive compensation payments (county employees only) to 3 CAE, 53 TMA and 32 TCA designation/certification holders in good standing.

Property Assessments Organization



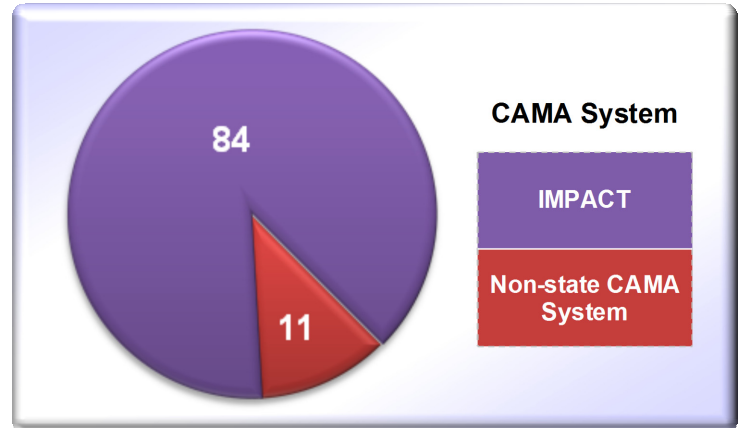
SYSTEMS

- The Integrated Multi Processing of Administrative and CAMA Technology (IMPACT) system is the largest software application project today in the Office of the Comptroller, with scheduled implementation completed as of October 2016. IMPACT replaced multiple legacy systems and databases. Among the many benefits of IMPACT, the new system introduced a single relational database that allows the business areas to share dependent data, removing redundant manual entry and reconciliation tasks.



- ♦ IMPACT continues to evolve and improve. Version upgrades as well as new enhancements based on user feedback ensure an "evergreen" CAMA system to benefit not only the Office of the Comptroller but also jurisdictions and taxpayers across the state.
- ♦ For FY 2017, 84 counties are currently on the IMPACT system.

Tennessee CAMA Systems

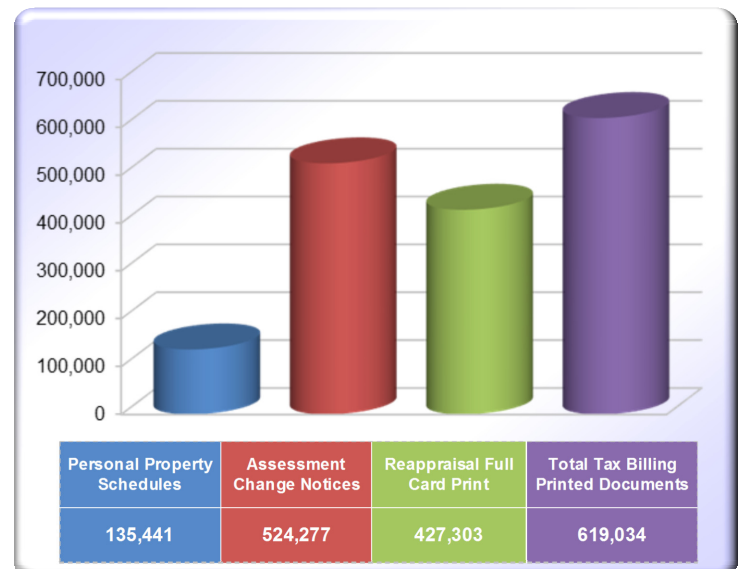


- **Assessment Systems** is comprised of 9 employees located in the DPA's Nashville office. Assessment Systems assists both county and city local tax authorities with the preparation of their annual tax billing documents and data, generating an estimated \$1,921,891,768 in revenue for these jurisdictions.

♦ IMPACT

- ✓ 135,441 personal property schedules were printed
- ✓ 524,277 assessment change notices were printed
- ✓ 427,303 reappraisal full cards were printed
- ✓ 160,303 property tax roll pages were printed (24 parcels per page)
- ✓ 341,739 property tax notices were printed
- ✓ 116,992 property tax receipts were printed

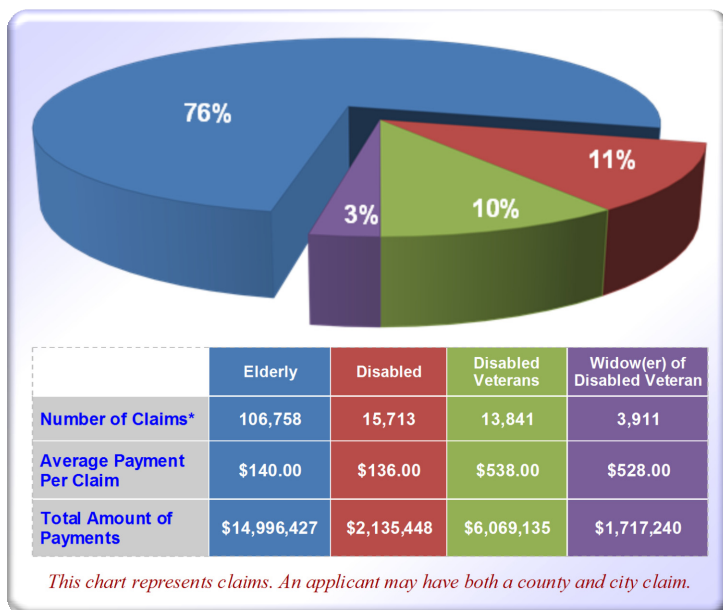
2016 Parcels/Records Processed by Assessment Systems



- ◆ **Property Tax Relief** is comprised of 13 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 2017, \$36.2 million was appropriated for the Tax Year (TY) 2016 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 136,000 vouchers to returning applicants to assist with property taxes for TY 2016.
- ◆ Over 19,000 new applications were received for TY 2016.
- ◆ Over 140,000 claims were approved for TY 2016 totaling over \$27 million.

Percentage of Tax Year 2016 Tax Relief Claims by Classification

*TY 2016 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 31 cities across the state.

SPECIAL PROJECTS

- ◆ Work accomplished relative to special projects during FY 2016-2017:
 - ◆ Field Mobile
 - ✓ Conducted extensive testing and validation of the Field Mobile data collection app for IMPACT, including the Apex MobileSketch component
 - ✓ Scripted GIS data extracts for use in Field Mobile
 - ✓ Implemented Field Mobile in a pilot county
 - ◆ GIS
 - ✓ Provided weekly extraction of data and building sketch images from IMPACT for use with MapViewer application
 - ◆ IMPACT
 - ✓ Provided assistance to Sevier County with IMPACT mass updates and proration calculations needed due to the November 2016 wildfires
 - ✓ Conducted data conversion for the Sullivan County migration from another CAMA system to IMPACT
 - ✓ Implemented streamlining of Commercial building grades
 - ✓ Conducted research and resolution of technical issues
 - ✓ Conducted testing of enhancements

- ◆ Tax Freeze
 - ✓ Conducted Tax Freeze training sessions for IMPACT counties
- ◆ Tax Relief
 - ✓ Developed a comprehensive Tax Relief presentation delivered to legislators by the Comptroller's Office
 - ✓ Provided data, analysis and projections for Tax Relief legislation

| Recent Legislative Changes to Property Tax Relief | | | | | |
|---|-------------------------------|-------------|---------------------------------------|-------------|---|
| | Low-Income Elderly / Disabled | | Disabled Veterans / Surviving Spouses | | Other Provisions |
| | Income Limit (Adj by COLA*) | Value Limit | Income Limit | Value Limit | |
| 2014 Legislation (FY2015) | \$28,270 | \$25,000 | | \$175,000 | Allocation of payments authorized instead of "first come, first served" approach of prior law |
| 2015 Legislation (FY2016) | \$28,690 | \$23,000 | \$60,000 | \$100,000 | Existing veteran/spouse recipients grandfathered with no income limit |
| 2016 Legislation (FY2017) | \$29,180 | \$23,500 | | \$100,000 | |
| 2017 Legislation (FY2018) | \$29,180 | \$27,000 | | \$175,000 | Elderly/Disabled value limit will be adjusted by CPI-U inflation factor (0%-3%) in future years |

LEGAL SERVICES

The following is a summary of legislation that passed during the 2017 Session that will affect property tax administration along with relevant opinions from the Attorney General's Office.

- ◆ **Tennessee Attorney General Opinions**
 - ◆ Opinion No. 17-27
 - ◆ Opinion No. 17-30
 - ◆ Opinion No. 17-32
- ◆ **Comptroller Legislation**
 - ◆ Public Chapter No. 13
 - ◆ Public Chapter No. 103
 - ◆ Public Chapter No. 133
 - ◆ Public Chapter No. 155
- ◆ **Other Legislation Involving Property/Property Taxes**
 - ◆ Public Chapter No. 181
 - ◆ Public Chapter No. 297
 - ◆ Public Chapter No. 299
 - ◆ Public Chapter No. 312
 - ◆ Public Chapter No. 351

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



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

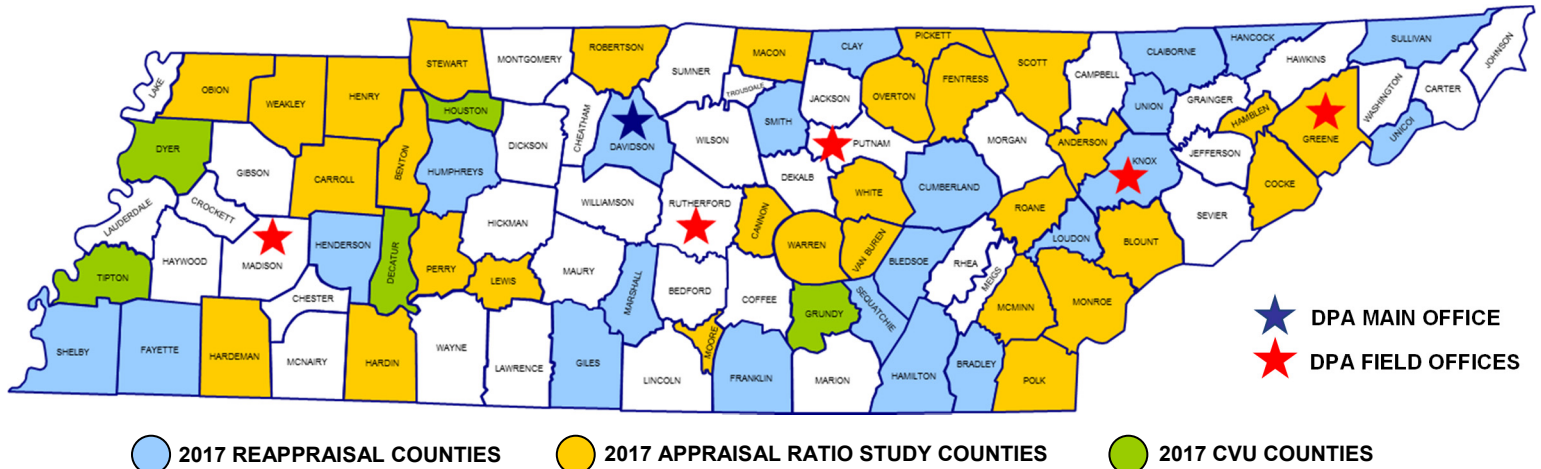


FIELD OPERATIONS

Field Operations is comprised of approximately 65 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 30 counties for 2017 pursuant to Tenn. Code Ann. §§ 67-5-1604 and 1605.

- Twenty-two (22) counties were reappraised in accordance with reappraisal plans submitted by assessors of property and approved by the SBOE pursuant to Tenn. Code Ann. § 67-5-1601.
- Current Value Update analysis was performed in 5 counties in accordance with Tenn. Code Ann. § 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 | 2016 PARCEL COUNTS | 2017 APPRAISAL RATIOS | COUNTY | 2016 PARCEL COUNTS | 2017 APPRAISAL RATIOS | COUNTY | 2016 PARCEL COUNTS | 2017 APPRAISAL RATIOS |
|------------|--------------------------|-----------------------------|------------|--------------------------|-----------------------------|--------------|--------------------------|-----------------------------|
| ANDERSON | 37,829 | 0.9459 | HAMILTON | 154,005 | 1.0000 | MORGAN | 15,457 | 1.0000 |
| BEDFORD | 21,877 | 1.0000 | HANCOCK | 6,086 | 1.0000 | OBION | 19,960 | 0.9572 |
| BENTON | 16,418 | 0.9323 | HARDEMAN | 20,583 | 0.9831 | OVERTON | 15,030 | 0.9309 |
| BLEDSON | 11,569 | 1.0000 | HARDIN | 26,757 | 0.9321 | PERRY | 8,109 | 1.0000 |
| BLOUNT | 67,383 | 0.9081 | HAWKINS | 39,550 | 1.0000 | PICKETT | 5,869 | 0.9455 |
| BRADLEY | 47,701 | 1.0000 | HAYWOOD | 11,383 | 0.9908 | POLK | 13,038 | 0.9406 |
| CAMPBELL | 30,106 | 0.9808 | HENDERSON | 18,169 | 1.0000 | PUTNAM | 36,879 | 1.0000 |
| CANNON | 7,839 | 0.8643 | HENRY | 25,755 | 0.9591 | RHEA | 24,645 | 1.0000 |
| CARROLL | 19,408 | 0.9848 | HICKMAN | 18,462 | 0.9597 | ROANE | 36,232 | 0.9916 |
| CARTER | 32,726 | 1.0000 | HOUSTON | 6,370 | 0.9412 | ROBERTSON | 34,800 | 0.8473 |
| CHEATHAM | 21,185 | 1.0000 | HUMPHREYS | 12,898 | 1.0000 | RUTHERFORD | 103,908 | 0.9095 |
| CHESTER | 9,841 | 1.0000 | JACKSON | 9,007 | 1.0000 | SCOTT | 15,918 | 1.0000 |
| CLAIBORNE | 23,625 | 1.0000 | JEFFERSON | 34,201 | 0.9611 | SEQUATCHIE | 11,833 | 1.0000 |
| CLAY | 6,683 | 1.0000 | JOHNSON | 14,484 | 1.0000 | SEVIER | 81,896 | 1.0000 |
| COCKE | 25,748 | 0.9612 | KNOX | 192,593 | 1.0000 | SHELBY | 351,068 | 1.0000 |
| COFFEE | 30,236 | 0.9378 | LAKE | 3,914 | 0.9990 | SMITH | 12,401 | 1.0000 |
| CROCKETT | 9,951 | 1.0000 | LAUDERDALE | 13,842 | 1.0000 | STEWART | 12,023 | 0.9647 |
| CUMBERLAND | 66,233 | 1.0000 | LAWRENCE | 24,328 | 1.0000 | SULLIVAN | 86,862 | 1.0000 |
| DAVIDSON | 243,841 | 1.0000 | LEWIS | 7,929 | 0.9728 | SUMNER | 74,515 | 0.9168 |
| DECATUR | 13,695 | 0.9909 | LOUDON | 33,951 | 1.0000 | TIPTON | 30,574 | 0.9383 |
| DEKALB | 17,853 | 1.0000 | MCMINN | 30,991 | 0.9386 | TROUSDALE | 4,851 | 1.0000 |
| DICKSON | 26,563 | 1.0000 | MCMINN | 30,991 | 0.9386 | UNICOI | 11,324 | 1.0000 |
| DYER | 21,389 | 0.9431 | MCMINN | 30,991 | 0.9386 | UNION | 15,271 | 1.0000 |
| FAYETTE | 23,510 | 1.0000 | MACON | 13,764 | 0.9147 | VAN BUREN | 7,399 | 0.9494 |
| FENTRESS | 16,225 | 0.9778 | MADISON | 48,013 | 0.9949 | WARREN | 22,671 | 0.9443 |
| FRANKLIN | 24,861 | 1.0000 | MARION | 21,283 | 1.0000 | WASHINGTON | 60,336 | 0.9750 |
| GIBSON | 30,169 | 0.9815 | MARSHALL | 16,858 | 1.0000 | WAYNE | 12,921 | 1.0000 |
| GILES | 18,307 | 1.0000 | MAURY | 42,053 | 0.8994 | WEAKLEY | 20,185 | 0.9607 |
| GRAINGER | 16,217 | 1.0000 | MEIGS | 9,327 | 1.0000 | WHITE | 17,216 | 0.9633 |
| GREENE | 43,574 | 0.9469 | MONROE | 29,085 | 0.9406 | WILLIAMSON | 84,697 | 1.0000 |
| GRUNDY | 11,029 | 0.9757 | MONTGOMERY | 72,350 | 0.9915 | WILSON | 56,149 | 1.0000 |
| HAMLEN | 30,448 | 0.9468 | MOORE | 3,964 | 0.9136 | TOTAL | 3,327,737 | |

