

BEFORE THE STATE BOARD OF EQUALIZATION

NOTICE AND RESOLUTION

WHEREAS, Tennessee Code Annotated § 67-5-505(c) provides

Upon a finding by the division that the assessor of property or the county is unable or unwilling to comply with requirements under this part, including rules of the board or submission of any necessary plan of compliance required by the board, the director of the division shall report such finding to the board. The board shall notify the assessor of property and the county mayor of the nature of the noncompliance and shall indicate the action required to correct such noncompliance. If satisfactory action is not taken by the assessor or the county to correct the noncompliance within sixty (60) days from the date that notice of noncompliance is given, the board shall direct the division, and the division shall thereupon be authorized to take such steps as are necessary to ensure compliance with the requirements of this part, and the county found in noncompliance shall reimburse the state for all costs incurred by the state pursuant to this action. If such costs are not reimbursed to the state within forty-five (45) days of the date of an invoice for such costs, the state may recover its costs through the deduction of such costs from any state-shared taxes as identified in § 4-31-105, otherwise due the county.

WHEREAS, in a memorandum dated February 18, 2025, the Division has reported that the Office of the Rutherford County Assessor of Property, Rob Mitchell, (“Assessor’s Office”) is unable or unwilling to comply with requirements under Tennessee Code Title 67, Chapter 5, Part 5;

WHEREAS, the State Board of Equalization (“the Board”) has determined the Division has shown the Rutherford Assessor is unable to or unwilling to comply with requirements under Tennessee Code Title 67, Chapter 5, Part 5, including, but not limited to, the following failures:

- Failed to accurately prorate values of major improvements and adjust their assessments for the year in which they are completed as required by Tenn. Code Ann. § 67-5-504(a) and Tenn. Code Ann. § 67-5-603(b);

- Failed to adequately assess incomplete buildings based on the value of the materials used as required by Tenn. Code Ann. § 67-5-603(b)(5);
- Failed to adequately correct square footage errors identified and make appropriate square footage corrections as required by Tenn. Code Ann. § 67-5-509; and
- Failed to adequately review and address classification issues in accordance with Tenn. Code Ann. § 67-5-501 & § 67-5-509.

WHEREAS, Tennessee Code Annotated, § 67-5-505(c) requires the State Board of Equalization to “notify the assessor of property and the county mayor of the nature of the noncompliance and... indicate the action required to correct such noncompliance.”

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF EQUALIZATION:

1. The Assessor’s Office is hereby notified of the noncompliance as required by Tenn. Code Ann. § 67-5-505(c);
2. The Executive Secretary shall provide a copy of this Notice and Resolution to the Assessor’s Office and Rutherford County Mayor Joe Carr and have such notice posted on the Board’s webpage;
3. In order to correct its noncompliance with Tennessee Code Annotated, Title 67, Chapter 5, Part 5, the Assessor’s Office must:
 - a. Review the lists of properties that the Division and the Assessor’s Office developed containing suspected proration issues, which were provided to the Assessor’s Office in emails from the Division dated November 5, 2024, [Appendix 1; Attachment titled “Pending 2022-2023-2024 Comparison (10_24_2024) (REVISED)”] and November 14, 2024, [Appendix 2; Attachment titled “Prorated for 2024 in Primary Juris (11_6_2024)”] and correct any and all proration issues in accordance with applicable law;
 - b. Review the list of approximately 7,000 properties that the Division and the Assessor’s Office generated containing suspected square footage errors, which was provided to the

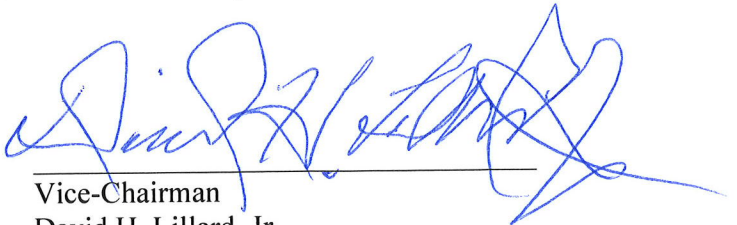
Assessor's Office in an email from the Division dated November 5, 2024 [Appendix 1; Attachment titled "Square Footage Comparison 2021-2022-2024 (10_23_2024) REVISED-List"], and correct any and all square footage issues in accordance with applicable law;

- c. Review the list of approximately 12,000 properties that the Division and the Assessor's Office developed containing possible classification errors, which was provided to the Assessor's Office in an email from the Division dated November 5, 2024 [Appendix 1; Attachments titled "Townhome-Condo Assessment Perc Checks", "LUC Change from 2025 to 2026 (10_24_2024)", and "LUC Change from 2024 to 2026 (10_24_2024)"], and correct any and all classification issues in accordance with applicable law;
 - d. Certify in writing any resulting tax roll changes to the trustee or municipal collector in accordance with Tenn. Code Ann. § 67-5-509;
 - e. Beginning immediately, provide weekly updates to the Division, in a format provided by the Division, containing a list of all parcels reviewed that week and details regarding any corrective action the Assessor's Office took regarding that property. The Assessor's Office must review and take corresponding appropriate corrective action on at least 2,000 parcels each week. The detailed list and a copy of all corresponding certifications sent to the trustee or municipal collector must be submitted to the Division by the close of business each Friday; and
 - f. Within one day after the date of this Notice, grant the Division read-only access to the Assessor's Office's CAMA system for verification purposes. Such access must include the ability for the Division to view assessments and details for all tax years, to run filtered searches, and to efficiently view any other information necessary to verify the accuracy of the Assessor's Office's submissions to the Division.
4. Within sixty (60) days of this notice, the Assessor's Office must complete its review of each list outlined in Paragraphs 3a-c and submit to the Division its determinations and any

corresponding corrective action, including a copy of all corresponding certifications made to the trustee or municipal collector.

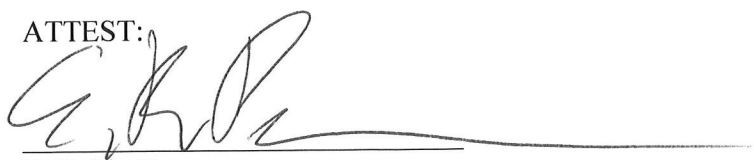
5. Upon the expiration of 60 days after this notice, the Division shall review a sample of 10% of all the properties identified in the lists outlined in Paragraphs 3a-c and the determinations and corrective action that the Assessor's Office made for each parcel, including whether an appropriate certification was sent to the trustee or municipal collector. In the event the Division determines that the Assessor's Office errs in its determinations and corrective action for 5% or more of the parcels in the 10% sample, the Board hereby directs and authorizes the Division to take such steps as are necessary to ensure compliance with the requirements of Tennessee Code Title 67, Chapter 5, Part 5. Rutherford County shall reimburse the Division for all costs the Division incurs pursuant to this action. If such costs are not reimbursed to the Division within forty-five days of the date of an invoice for such costs, the Division may recover its costs through the deduction of such costs from any state-shared taxes as identified in § 4-31-105, otherwise due to Rutherford County.
6. In the event the Assessor's Office refuses to cooperate with or in any way impairs the Division from taking such steps as are necessary to ensure compliance with the requirements of Title 67, Chapter 5, Part 5, as mandated by Paragraph 5 of this Notice and Resolution, the Division shall immediately notify the Executive Secretary, who shall seek the assistance of the Office of the Attorney General to ensure compliance with and enforcement of this Notice and Resolution.

Adopted by the State Board of Equalization on this the 4th day of March, 2025.



Vice-Chairman
David H. Lillard, Jr.
State Treasurer

ATTEST:

A handwritten signature in black ink, appearing to read 'E. Robin Pope', is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

E. Robin Pope
Executive Secretary
State Board of Equalization

APPENDIX 1

From: [Ryan Duggin](#)
To: [Rutherford County Assessor](#)
Cc: [Bryan Kinsey](#); [Brett Bombick](#)
Subject: Rutherford Enhanced Monitoring
Date: Tuesday, November 5, 2024 11:00:00 AM
Attachments: [Pending 2022-2023-2024 Comparison \(10_24_2024\) \(REVISED\).xlsx](#)
[Square Footage Comparison 2021-2022-2024 \(10_23_2024\) REVISED_List.xlsx](#)
[Townhome-Condo Assessment Perc Checks.xlsx](#)
[2026-2024 Changes with SQL-AP5 Filters \(SketchedAreas\) \(10_25_2024\).xlsx](#)
[2026-2024 Changes with SQL-AP5 Filters \(SFYI\) \(10_25_2024\).xlsx](#)
[LUC Change from 2025 to 2026 \(10_24_2024\).xlsx](#)
[LUC Change from 2024 to 2026 \(10_24_2024\).xlsx](#)

Rob,

Thank you for meeting with me and some of my staff over the last two weeks to discuss ongoing issues in your office. I believe the time was well spent. Below I will summarize what the Division of Property Assessments discussed with you and your staff during our time in Rutherford County:

- Brett Bombick and I spent time demonstrating the major issues we found during our most recent monitoring.
 - **Objective Changes Pushed to 2026-** Examples of properties that were reviewed in 2024, and value changes made to the 2026 tax year.
 - **Prorating/New Construction-** Examples of properties that were not prorated correctly from 2023 and 2024. This includes properties prorated only when properties sold, prorating in August even though the improvement was substantially complete earlier in the year, and leaving properties off the roll for multiple years because they are not complete (not assessing them after a year at the percent complete/materials value). Part of this also involved reviewing LUCs between the 3 tax years (2024, 2025, 2026) to make sure there aren't any inconsistencies due to working in the future for 2 years.
 - **Known Sq Ft Errors-** Examples of properties with incorrect square footage from as far back as 2022. These were identified from a list created by your office, but not all were corrected.
 - **Assessment Classification-** Examples of townhome and condominium developments where the assessment percentage for rentals seemed inequitable (developer or subsidiary owned units were assessed at 25% while other rental units were assessed at 40%).
- We discussed with you, your leadership team, and selected staff the effects of these improper assessment practices. Inaccurate tax bills for taxpayers, assessment values left off the tax roll, inequitable treatment of taxpayers and tax burden shifts, etc.
- We worked with your leadership and IT teams to develop lists of potential parcels affected by the four issue categories listed above.
- We helped your leadership team develop a plan to review the targeted lists of potential errors and note whether the parcel is currently correct or needs changes, while still allowing time for open permits to be worked (so as not to compound the issue). We asked your team to capture all needed changes in a spreadsheet and detailed notes about square footage and corrective

changes on physical PRCs. Once our team reviews the recommended changes (weekly) your team will be approved to make the corrections.

- We talked about the differences between Back Assessment and error correction including the timelines for each, the notice process, and what constitutes an error.
- We worked with your leadership and IT teams to identify deficiencies in your permit/new construction/proration process. We provided examples of how to utilize permits and your CAMA system to make sure these current issues don't occur in the future (such as holding prorated improvements out of the tax billing process and creating hand generated change orders to the Trustee).
- We provided a deadline for your team to have these issues reviewed and submitted for correction in 60 days. The project from your side should be concluded by **Friday, January 3rd**. We also worked with you on how to create an estimated timeline to achieve this using number of parcels, number of employees, number of days, etc.
- We plan to have a couple of DPA staff members stop by once a week to answer questions from staff, go over reviewed parcels, and check progress.

As mentioned last week, if properly utilized, your staff should have the capability and resources to review, identify, correct, and report on the above parcels. As mentioned above, we will maintain a weekly presence in your office for assistance with this effort. Our hope is this project will bring lasting, positive changes to the assessment practices in your office.

Please let me know if you have any question.

Thanks,

Ryan Duggin, AAS, TMA
Assistant Director
Comptroller of the Treasury
Division of Property Assessments
425 Rep. John Lewis Way N. | Nashville, TN 37243
ryan.duggin@cot.tn.gov | Direct Line 615.736.6060



Mission: Make Government Work Better

Ryan Duggin

From: Ryan Duggin
Sent: Thursday, November 14, 2024 11:49 AM
To: Rutherford County Assessor
Cc: Brett Bombick; Russell Key
Subject: Prorated Improvements
Attachments: Prorated for 2024 in Primary Juris (11_6_2024).xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

Rob,

When Brett, Barrett and I were in your office Wednesday, November 6th, we discussed issues with the prorations for your 2024 tax year. You indicated that day that all prorates were done and sent to the collecting officials. We talked about whether they were prorated as of the corrected date or not (130370 for example that appears to have been ready for occupancy in May but was prorated for August). We reasoned that if the proration process was incorrect for the change orders sent out recently, it was probably incorrect for all prorates for 2024. I asked you IT to pull a list of any accounts that were prorated for 2024 and ran through the tax roll as well as any change orders that Jennifer did. I have combined them into a list format with the information we need to have filled out. Please have someone review and make note of corrections that are needed.

It appears that you have already began this project as I see that 130370 has been changed (at least per the notes) to be prorated for May instead of August.

If you have any questions please let me know.

Ryan Duggin, AAS, TMA
Assistant Director
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