

# Overview of Jackson County Assessment Process

Presentation to Jackson County Legislature  
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2/03/2020

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COUNTY CLERK

# Status of Appeals

- ▶ Total Appeals filed with Board of Equalization for 2019: 21,208
  - ▶ 5,163 commercial parcels
  - ▶ 16,045 residential parcels
- ▶ Approx. 7% of all parcels in the County were appealed
- ▶ Decisions made prior to December 31, 2019: 7,799
  - ▶ 6,661 residential appeals addressed
  - ▶ 1,138 commercial appeals addressed
- ▶ Decisions made in January 2020:
  - ▶ First two weeks: 806 (weather impacted)
  - ▶ Second two weeks: 1683 scheduled to be addressed
- ▶ Approx. 10,920 appeals remaining to be addressed
- ▶ Goal to complete all residential BOE appeals: March 31, 2020
- ▶ Commercial/Industrial appeals may lag into late Spring of 2020

2020/01/13

# Analysis of 2019 Residential Appeals

- ❖ Approx. 98% of all residential appeals are arguing for less than a 10% increase (46%) or up to a 10% decrease (39.5%) from their 2017 assessed values.
- ❖ Board of Equalization has been granting full taxpayer request in approx. 70% of all appeals
  - ❖ These lower market valuations will be under pressure again in 2021 given continued price escalation in Jackson County housing markets
- ❖ Collections is behind in billing due to lag from BOE
  - ❖ Appeals addressed prior to October 31 were handled in normal billing cycle
  - ❖ Appeals handled since November 2019 still must be rebilled to taxpayers

## 2019 Assessment: Lessons Learned

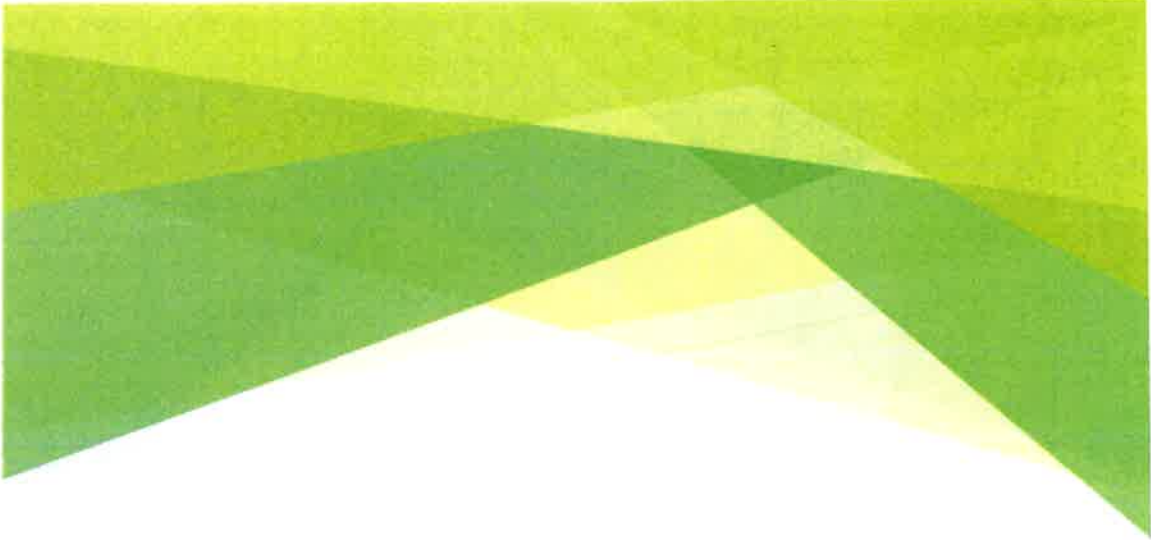
- ❖ 2019 Assessment got late start due to new Assessor starting late in process
- ❖ Office is significantly under-staffed to deal with hot real estate market
  - ❖ Average annual increases for residential real estate is 5% to 8%
    - ❖ Some areas are seeing even larger increases
  - ❖ Physical inspections required for properties with growth over 15%
  - ❖ Approx. 40-50 additional staff needed when benchmarked with peer counties
- ❖ Overreliance on consultants and models
  - ❖ Models work better in homogenous or suburban real estate markets
  - ❖ Different real estate markets in urban areas did not get accurately projected
    - ❖ Markets that are rapidly appreciating were undervalued
    - ❖ Markets that are more static may have been overvalued

# 2019 Assessment: Lessons Learned

- ❖ Board of Equalization is not properly staffed.
  - ❖ Large number of appeals should be anticipated going forward given strength of real estate market
  - ❖ Valuation increases exceeding 10% should be anticipated with a corresponding number of appeals
- ❖ Property in Jackson County remains generally undervalued on assessed basis as compared to market value
  - ❖ State mandated requirement is assessed valuation at least 90% of market valuation
  - ❖ Current estimates based on market sales is 85% of 2019 market valuation
    - ❖ Necessitating further large catch-up increases in 2021 assessment
- ❖ Commercial/Industrial assessments are still significantly below market value
  - ❖ Jackson County only has 1 commercial appraiser on staff
  - ❖ Investments must be made to improve commercial/industrial assessment

## 2021 Assessment: Key Steps to Success

- ❖ Invest in Assessment Staff
- ❖ Invest in Assessment Management Systems/Additional Data Management Tools
- ❖ Communicate, Communicate, COMMUNICATE!



## 2021 Assessment: Staff Needs

- ❖ Critical that 2019 process gets completed as soon as possible
  - ❖ Staff time spent on 2019 diverts time needed for 2020 maintenance and 2021 planning
- ❖ Current Staff in Assessment is exhausted
  - ❖ Mandatory minimum of 15 hours of overtime for staff for the last year
  - ❖ 17 current vacancies out of 74 authorized FTE's
  - ❖ Current pay structure inhibits hiring; new pay structure should help
    - ❖ Goal needs to be to fill existing vacancies before seeking additional staff funding
      - ❖ No current office space to place additional assessment staff
- ❖ Need to creatively use contract staff/consultants to supplement staff
  - ❖ RFP recently issued for contract support staff
  - ❖ Recently used residential real estate agents on contract basis to augment limited staff capacity

# 2021 Assessment: Technology

- ❖ Begin planning and investment in new assessment management system
  - ❖ Current system (SIGMA) is obsolete, has limited capabilities and is no longer supported by vendor.
  - ❖ Won't help for 2021 assessment, some assistance for 2023, and full functionality in 2025
  - ❖ New system would allow for automated processes for both assessment and BOE resulting in improved communication capabilities
  - ❖ Estimated cost to purchase and implement could exceed \$10 million
  - ❖ Will ask our new Deputy Assessor Maureen Monaghan to help lead the selection and implementation process.
- ❖ Use new tools to help develop proper valuations to augment limited staff and limited systems
  - ❖ Market Value Analysis to analyze neighborhood values on a block by block basis
  - ❖ Work with partner tax jurisdictions to appraise specific commercial areas that are of priority to that jurisdiction

# 2021 Assessment: Communications

- ❖ Need to significantly improve public communication and outreach in the assessment process
  - ❖ New assessment system will help with automated communications capability
  - ❖ Must immediately start outreach and communications for 2021 process
  - ❖ Continued rapid growth in real estate value will lead to more public consternation about the assessment process
  - ❖ The following neighborhoods have already been identified as having assessed valuations lower than 90% of market value based on 2019 valuations.
    - ❖ These neighborhoods should already be anticipating significantly higher assessed valuations in 2021

## 95th and State Line

Brookside

South KC

Lake Tapawingo

## Ward Parkway

49-63 Neighborhood

Martin City

Waldo

# Summary

- ❖ 2019 Assessment Process revealed significant flaws in the current system
  - ❖ County must invest in staff
    - ❖ Training and additional staff with varied skillsets
  - ❖ County must invest in technology and data to improve assessment process
    - ❖ Technology will not singularly solve all issues
    - ❖ Technology solutions won't be fully implemented until 2025 assessment process
  - ❖ County must increase communication and outreach efforts now
    - ❖ If current real estate market stays hot, 2021 reassessment process will again be noisy



Questions?

Thank you!!

