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: 1,683 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
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

<table>
<thead>
<tr>
<th>95th and State Line</th>
<th>Ward Parkway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brookside</td>
<td>49-63 Neighborhood</td>
</tr>
<tr>
<td>South KC</td>
<td>Martin City</td>
</tr>
<tr>
<td>Lake Tapawingo</td>
<td>Waldo</td>
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</tbody>
</table>
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!!