



King County

Department of Assessments
King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0740
Seattle, WA 98104-2384

(206) 296-7300 FAX (206) 296-5107
Email: assessor.info@kingcounty.gov
<http://www.kingcounty.gov/assessor/>

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ATTACHMENT A

2010-399

Lloyd Hara
Assessor

DEPARTMENT OF ASSESSMENTS

**Response to King County Council
Proviso Regarding**

Objective Workload Measures

July 13, 2010

Proviso Language

The purpose of this report is to respond to Proviso P2, Section 43 of the 2010 King County Budget. Proviso P1 states:

Proviso 2 stipulated and directed that of the department's 2010 appropriation, \$1,000,000 shall not be expended or encumbered until the council approves by motion a report that identifies objective workload measures for all lines of business in the department of assessments and projects 2010 workload for each measure within each line of business. The report and motion required to be submitted by this proviso must be filed by July 15, 2010.

Background

The primary purpose of the Department of Assessments is to provide the services necessary for the maintenance and certification of a fair and equitable county assessment roll as mandated by Chapter 84 of the Revised Code of Washington (RCW). This includes subsequent levy rate determination and tax roll, established annually for the purpose of administering the property tax system for all real and personal property located within the geographic boundaries of King County.

The Department of Assessments is presided over by the Assessor, a separately elected countywide official, elected to a four-year term by the voters of King County. The County consists 165 separate taxing districts, including 39 cities, 20 school districts, 28 fire districts, 27 water districts, 14 sewer districts, and 32 other districts including unincorporated King County. The Department's authorized FTE staffing level for 2010 is 224 FTEs.

The Department of Assessments' lines of business, as mandated by state law, include:

- Residential Assessed Valuations – which includes the Department's residential appraisal, appeal response and new construction functions;
- Commercial/Business Assessed Valuations – which includes the Department's personal property assessment, commercial appraisal, appeal response and new construction functions.
- Accounting – which includes Mapping, GIS, Abstract, Levy Administration, and Accounting Support;
- Customer Service – which includes public information, education and outreach, exemptions, and appeal processing for all appeals filed by or on behalf of taxpayers;

Critical to, and necessary to provide the above mandated functions, are:

- Information Services – which is the Department’s Systems Development Group, and includes general IT support, along with programming as needed;
- Administration – which is the Department’s administrative services group, and is necessary to support the above mandated functions, such as budget, finance, purchasing, payroll, human resources, etc.

The Department does not operate any discretionary programs. All of our core activities are statutorily mandated. Oversight responsibility for the department is vested with the Washington State Department of Revenue (DOR) by the Washington State Legislature. Both the DOR and the Legislature evaluate and rate the Department’s performance annually. This evaluation will be shared in this report, as well as national standards such as The International Association of Assessing Officers (IAAO) standard for counties of our size.

Finally, wherever reasonably connected, this report identifies linkages of our Departments’ objective workload measures with that of:

- The King County Executive’s Strategic Plan’s Performance Measures (SPPM), and
- The King County Council’s Ordinance 13202, Governance for the Twenty-First Century - 2010 Priorities for King County Government (Gfor21st), and
- The King County Department of Assessments Priorities (DOAPriority).

Preliminary Objective Workload Measures for the Department of Assessments

1.0 Median Ratio

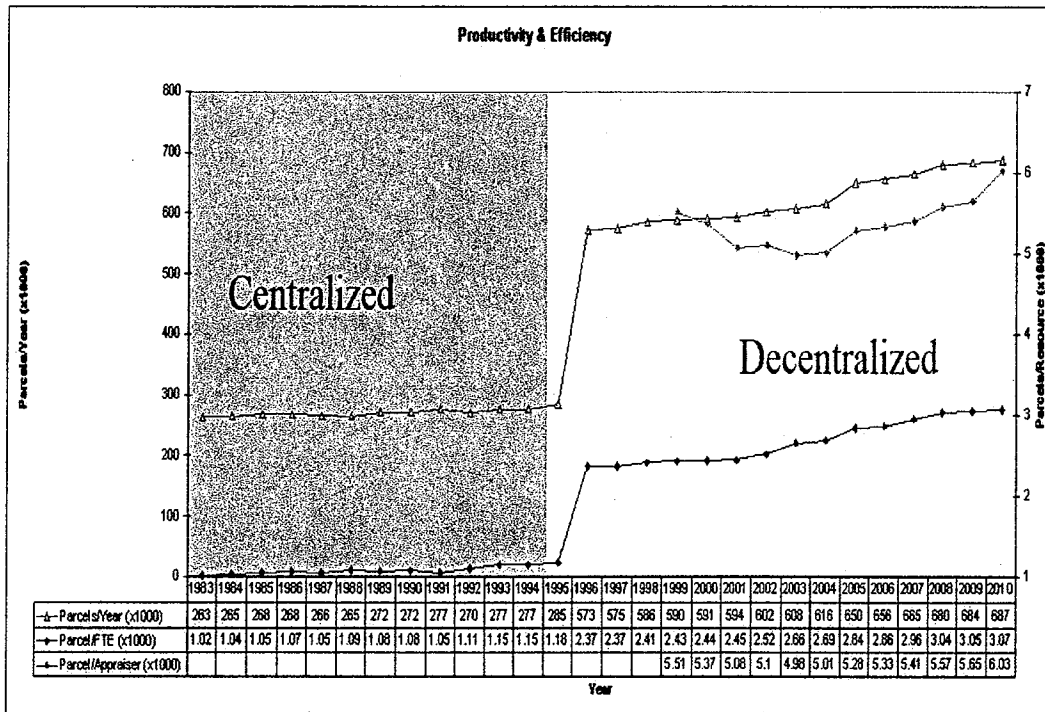
- 1.1 Discussion: The Department of Revenue (DOR) uses the ratio study to measure appraisal performance. A ratio study is a statistical analysis that compares the assessed value established by the assessor's office with the market value of the property.¹
- 1.2 Measure:
 - 1.2.1 Ratio: Assessed value divided by market value
- 1.3 Related Measure: Mass appraisal systems are generally judged on the basis of level of assessment and the uniformity of assessment. Washington State has not established appraisal performance standards in state law or by administrative rule. The International Association of Assessing Officers (IAAO) suggests performance standards for the level and uniformity of assessments.
- 1.4 Data²:
 - 1.4.1 2009:
 - 1.4.1.1 King County – 84.6%
 - 1.4.1.2 State-wide average – 88.1%
 - 1.4.2 2008:
 - 1.4.2.1 King County – 89.7%
 - 1.4.2.2 State-wide average – 88.7%
 - 1.4.3 2007:
 - 1.4.3.1 King County – 84.1%
 - 1.4.3.2 State-wide average – 86.5%
- 1.5 Trend/benchmark:
 - 1.5.1 IAAO standard – median ratio to fall in the range of 0.9 to 1.1
- 1.6 Linkage(s): YES ✓
 - 1.6.1 SPPM – Financial Stewardship, specifically:
 - 1.6.1.1 Assessing through fair and equitable application of tax law
 - 1.6.2 Gfor21st – Financial Stewardship
 - 1.6.3 DOAPriority - Maintain annual ratio under 100%

¹ Measuring Real Property Appraisal Performance in Washington's Property Tax System 2008, Rick Peterson/Tanya Carter, Office of Program Research, Washington House of Representatives, May 21, 2009

² Washington State Department of Revenue website, www.dor.wa.gov, Statistics and Reports, Property Tax Ratios by County

2.0 Number of Annual Physical Inspections

- 2.1 Discussion: The department is required as part of its state approved revaluation plan to physically inspect at least one-sixth (1/6) of all taxable property on an annual basis.
- 2.2 Measure: Number of annual physical inspections:
 - 2.2.1 Number of Residential Inspections
 - 2.2.2 Number of Commercial Inspections
- 2.3 Related Measure(s):
 - 2.3.1 Number of Residential Inspections per Residential Appraiser(RI/RA)
 - 2.3.2 Number of Commercial Inspections per Commercial Appraiser(CI/CA)
- 2.4 Data:
 - 2.4.1 2010:
 - 2.4.1.1 Residential Inspections – 89,288
 - 2.4.1.2 Commercial Inspections – 28,588
 - 2.4.1.3 Total Inspections – 117,876
 - 2.4.1.4 RI/RA – 1285
 - 2.4.1.5 CI/CA – 1100
 - 2.4.2 2009:
 - 2.4.2.1 Residential Inspections – 96,144
 - 2.4.2.2 Commercial Inspections – 25,144
 - 2.4.2.3 Total Inspections – 121,288
 - 2.4.2.4 RI/RA – 1502
 - 2.4.2.5 CI/CA – 967
- 2.5 Trend/Benchmark:
 - 2.5.1 The number of parcels per appraiser on a national basis for large jurisdictions averages 1:3,500 (source International Association of Assessing Officers) while in King County our ratio is approximately 1: 5,750 and climbing.
 - 2.5.2 Based upon current staffing and parcel counts, as of June 2010 our ratio is approximately 1:6,030 – 1.7 times the national basis.



Note: Copy of chart included at the end of this report.

2.6 Linkage(s): **YES** ✓

2.6.1 SPPM – Financial Stewardship, specifically:

2.6.1.1 Assessing through fair and equitable application of tax law

2.6.2 Gfor21st – Financial Stewardship

2.6.3 DOAPriority – Efficiently use resources

3.0 Number of Annual Revaluation Notices Mailed/Delivered

- 3.1 Discussion: The department is required to revalue taxable property on an annual basis either through physical inspection or use of mass appraisal statistical data.
- 3.2 Measure: Revaluation Notices
- 3.3 Related Measure(s):
 - 3.3.1 Personal Property Assessment Notices
 - 3.3.2 Corrections, maintenance change notices
- 3.4 Data:
 - 3.4.1 Revaluation Notices:
 - 3.4.1.1 2010 (for 2011 tax year): *estimate – 668,727
 - 3.4.1.2 2009 (for 2010 tax year): 675,419
 - 3.4.1.3 2008 (for 2009 tax year): 668,727
 - 3.4.2 Personal Property Assessment Notices:
 - 3.4.2.1 2010 (for 2011 tax year): YTD as of 07/03/10 – 20,501
 - 3.4.2.2 2009 (for 2010 tax year): 46,438
 - 3.4.2.3 2008 (for 2009 tax year): 54,503
 - 3.4.3 Additional maintenance revaluation notices:
 - 3.4.3.1 Approximately an additional 10,000 notices per year are sent out upon completion of corrections, maintenance, and other valuation changes
- 3.5 Trend/benchmark: Required to mail revalue notice
- 3.6 Linkage(s): **YES** ✓
 - 3.6.1 SPPM – Financial Stewardship, specifically:
 - 3.6.1.1 Assessing through fair and equitable application of tax law
 - 3.6.2 Gfor21st – Trust in Government, specifically:
 - 3.6.2.1 Keeping public informed
 - 3.6.3 DOAPriority – Citizen public information

4.0 Number of Assessed Value Appeals

- 4.1 Discussion: The department is statutorily required to respond to taxpayers appeals of assessed value.
- 4.2 Measures:
 - 4.2.1 Total Number of Appeals Filed
 - 4.2.2 Percent Remaining to Decide
 - 4.2.3 Percent of Appeals Assessor Sustained
 - 4.2.4 Percent of Appeals Board of Equalization (BOE)/Assessor Revised
- 4.3 Related Measures: N/A
- 4.4 Data:
 - 4.4.1 2010³:
 - 4.4.1.1 Total Number of Appeals Filed – 8,416
 - 4.4.1.2 Percent remaining to decide – 81% (5,864)*
 - 4.4.1.3 Percent Assessor sustained – 64% (of decided appeals)*
 - 4.4.1.4 Percent revised – 36% (of decided appeals)*
 - 4.4.2 2009:
 - 4.4.2.1 Total Number of Appeals File – 15,044
 - 4.4.2.2 Percent remaining to decide – 11% (1,353)*
 - 4.4.2.3 Percent Assessor sustained – 56% (of decided appeals)*
 - 4.4.2.4 Percent revised – 44% (of decided appeals)*
 - 4.4.3 2008:
 - 4.4.3.1 Total Number Appeals File – 4,593
 - 4.4.3.2 Percent remaining to decide – 0%
 - 4.4.3.3 Percent Assessor sustained – 56% (of decided appeals)*
 - 4.4.3.4 Percent revised – 44% (of decided appeals)*

*Note: does not include the small number of appeals that are resolved through stipulations or withdrawals.

- 4.5 Trend/benchmark: Number of appeals are increasing due to economic conditions. We anticipate continued increase in number of appeals.
- 4.6 Linkage(s): YES ✓
 - 4.6.1 SPPM – Financial Stewardship, specifically:
 - 4.6.1.1 Assessing through fair and equitable application of tax law
 - 4.6.2 Gfor21st – Trust in Government, specifically:
 - 4.6.2.1 Keeping public informed
 - 4.6.3 DOAPriority – Efficiently use resources, and citizen public information

³ As of July 3, 2010 Department of Assessments data

5.0 Parcel and Mapping Administration Updates

- 5.1 Discussion: The Department manages changes in real property and enters them into the assessor maps and maintains map overlays showing taxing districts, levy codes, zoning, appraisal areas and wetland boundaries. The key component to this program is maintaining the parcel layer for King County GIS.
 - 5.1.1 Maintaining the parcel maps for King County is more than just processing parcels involved in segregations, mergers, condominiums, or plats. The “maps” are generated from data that is maintained in a number of GIS layers, for which our department is responsible.
- 5.2 Measures:
 - 5.2.1 GIS Layer Updates
 - 5.2.1.1 Parcel
 - 5.2.1.2 Annotation
 - 5.2.1.3 Boundary
- 5.3 Related Measures:
 - 5.3.1 Other Data Updates
 - 5.3.1.1 Zoning
 - 5.3.1.2 Annexations and Levy Administration
- 5.4 Data:
 - 5.4.1 2009:
 - 5.4.1.1 GIS Layer Updates:
 - 5.4.1.1.1 Parcel – 26,126 feature updates
 - 5.4.1.1.2 Annotations – 191,702 feature updates
 - 5.4.1.1.3 Boundary – 212,249 feature updates
 - 5.4.1.2 Other Data Updates:
 - 5.4.1.2.1 Zoning – 3,233 feature updates
 - 5.4.1.2.2 Annexations and Levy Administration – 12,319 feature updates
- 5.5 Trend: We anticipate that GIS data/feature updates will continue and possibly increase in magnitude.
- 5.6 Linkage(s): YES ✓
 - 5.6.1 SPPM – Financial Stewardship, specifically:
 - 5.6.1.1 Assessing through fair and equitable application of tax law
 - 5.6.2 Gfor21st – Financial Stewardship, specifically:
 - 5.6.2.1 Collaboratively use technology
 - 5.6.3 DOAPriority – Efficiently use resources, and citizen public information

6.0 Time to Certify Property Tax Roll and Levy Administration

- 6.1 Discussion: The department is required to set levy rates, levy codes, taxing district boundaries and certify the tax roll to Treasury for collection.
- 6.2 Measures:
 - 6.2.1 Time to Certify Property Tax Role
- 6.3 Related Measures:
 - 6.3.1 Number of Annexations:
 - 6.3.2 Number of Parcels affected:
- 6.4 Data:
 - 6.4.1 Time to Certify Property Tax Role:
 - 6.4.1.1 Historically, over the last 4 to 5 years the average time to certify the tax role has been between 5 to 6 weeks.
 - 6.4.1.1.1 Usually certification starts – early to mid December of the current year
 - 6.4.1.1.2 Usually certification ends – mid to end of January of the following year
 - 6.4.2 2009:
 - 6.4.2.1 Annexations – 28
 - 6.4.2.2 Number of Parcels affected – 11,435
 - 6.4.3 2010⁴:
 - 6.4.3.1 Annexations – 23
 - 6.4.3.2 Number of Parcels affected – 11,186
 - 6.4.4 2011*:
 - 6.4.4.1 Annexations – 15 (*note – Potential for nine (9) additional annexations to come in before the August 1, 2010 due date.
 - 6.4.4.2 Number of Parcels affected – 12,813 (*note – The nine (9) potential annexations that may come in will change the parcel count that is affected.
 - 6.5 Trend/benchmark: Continued annexation activity predicted.
 - 6.6 Linkage(s): **YES** ✓
 - 6.6.1 SPPM – Financial Stewardship, specifically:
 - 6.6.1.1 Assessing through fair and equitable application of tax law
 - 6.6.2 Gfor21st – Financial Stewardship
 - 6.6.3 DOAPriority – Set levy rates for tax roll collection

⁴ As of June 26, 2010 Department of Assessments data

7.0 Public Information and Outreach

7.1 Discussion: The newly elected Assessor has established a commitment to improving customer service to our constituency. Since becoming King County Assessor, the department has held education and outreach meetings with regional and local elected officials of cities and taxing districts, holding community town hall meetings in an attempt to raise awareness and improve our constituents' knowledge of the property tax system.

7.2 Measures:

7.2.1 Number of Education and Outreach Activities

7.2.1.1 Town Hall Meetings

7.2.1.2 Community Engagement Events

7.2.1.3 Personal Property Outreach*

* New outreach starting in 2010

7.3 Related Measures: N/A

7.4 Data:

7.4.1 2010* (Year to date, YTD):

7.4.1.1 Town Hall Meetings – 10

7.4.1.2 Community Engagement Events – 60

7.4.1.3 Personal Property Outreach – 9 total

7.4.1.3.1 6 new business trainings

7.4.1.3.2 3 e-listing trainings

7.5 Trend/benchmark: Assessor and staff will attempt to meet/schedule:

7.5.1 Town Hall Meetings – 12 per year

7.5.2 Community Engagement events – 80

7.5.3 Personal Property Outreach – 12 per year

7.6 Linkage(s): **YES** ✓

7.6.1 SPPM – Service Excellence, specifically:

7.6.1.1 Increasing access to King County services, personnel, and information through education and outreach

7.6.2 Gfor21st – Trust in Government, specifically:

7.6.2.1 Keeping public informed

7.6.3 DOAPriority – Citizen Public Information

8.0 Customer Service

8.1 Discussion: We have already taken significant initial steps and actions to improve customer service. We have recently instituted live Assessor staff operators answering our phones with an automated call distribution (ACD) system instead of the previous purely electronic greeting. We have also dramatically redesigned our website to make it much more taxpayer-friendly and useful with assessment related information readily available. New website launch was on March 25, 2010.

8.2 Measures:

8.2.1 Number of Customer Service Phone Calls:

8.2.2 Number of Customer Service Email Responses:

8.2.3 Number of Website hits:

8.2.4 Number of Electronic Personal Property Account Filers:

8.3 Related Measures: N/A

8.4 Data:

8.4.1 2010:

8.4.1.1 Website Hits

8.4.1.1.1 Prior to re-design – 313,510 (1st qtr 2010)

8.4.1.1.2 Since re-design – 370,478 (in only 1 month)*

*Note: More data to follow, based on website traffic reports

8.4.1.2 Personal Property On-line Listings

8.4.1.2.1 10,707 this year, increase of 42%

8.4.1.3 Number of Customer Service Phone Calls

8.4.1.3.1 7032 (1st qtr 2010)

8.4.1.4 Number of Customer Service Email Responses

8.4.1.4.1 3,483 (1st qtr 2010)

8.5 Trend:

8.6 Linkage(s):

8.6.1 SPPM – Service Excellence, specifically:

8.6.1.1 Increasing access to King County services, personnel, and information through education and outreach

8.6.2 Gfor21st – Trust in Government, specifically:

8.6.2.1 Keeping public informed

8.6.3 DOAPriority – Citizen Public Information

Summary

These are challenging times, especially for an agency so fundamentally tied to property values. The objective workload measures included in this report run the gamut of our business lines which are statutorily mandated. We have identified the essential measures that track our service to the taxpayer and our constituents. While some of these measures are specifically tied to our regional (and national) economic condition they do provide valuable insight into our department's service delivery and fundamental processes.

Our department's primary goal has been to make sure we conduct assessments in a fair, equitable and understandable manner. In this volatile real estate market, the public needs confidence that we're being "fair and equitable." It is vital then – for the sake of public confidence as well as revenues for King County and other taxing jurisdictions – that the Department of Assessment be measured based upon the statutory requirements that drive our business lines.

Taxpayers and taxing districts across King County count on us getting property assessments done right.

We appreciate the Council's request to identify our department's objective workload measures, and as you can see our measures link not only with our own department's priorities but with the Executive's County-wide Strategic Plan elements, as well as the Council's Priorities. We respectfully request that you support and approve this report and motion on our department's objective workload measures. Given the critical revenue foundation the Department of Assessments builds for King County and surrounding taxing districts, we understand the importance of objective measures which report on our ability to meet our statutorily mandated mission, and meet the needs of our constituents.

We welcome the opportunity to discuss these measures with you further as you review our plan.

Productivity & Efficiency

