

MEMORANDUM

DATE: January 21, 2003

TO: Larry Watson, Tax Commissioner

FROM: Alan S. Dornfest, Property Tax Policy Supervisor
Henry Nagel, Property Tax Policy Specialist

SUBJECT: Analysis of services required to be provided by Technical Support Bureau

History

The technical support bureau (TSB) or its precursor originated with the passage of House Bill 272 in 1977. Originally, the provisions of this Bill were codified under section 63-201A, Idaho Code, which was recodified as section 63-219, Idaho Code, in 1997. We have reviewed available minutes from the discussions of the bill in the Senate and House, the Statement of Purpose, and original bill in its entirety. We have also attached copies of the main section of statute as it existed prior to and following recodification in 1997.

Analysis of Statute

From this information, it appears that the STC has the following requirements:

1. *Develop, maintain and enforce statewide systems for the preparation of property rolls and related documents and procedures and for uniform parcel numbering ((63-219)(1))*

The statement of purpose of the enabling act clearly envisioned that the system being developed would be provided for “...*the utilization of computer data in the assessment process.*” In discussion of the original R.S. 2455, Morgan Munger, then representative chairing the subcommittee working on this issue, stated that the bill “...*would provide for computer system through the system of billing....*” There was further discussion of meetings with county assessors and “county people,” but no delineation as to whether county clerks were involved or whether envisioned systems would assist clerks. The statement of purpose further called for the Commission to: “...*meet the expense of furnishing software and other material and services upon request.*” This appears to relate to what is referred to in the statement of purpose as the “...*system for the preparation of tax rolls through data processing facilities....*” Minutes of the Senate Local Government and Taxation Committee indicate that the bill provides for: “...*a data processing system for assessment rolls, tax rolls, tax bills and related documents for property taxation purposes.*”

2. *Said systems shall provide related information specified by the state tax commission ((63-*

219(1))

There was no discussion of this topic, but we make information requests to both assessors and clerks and some of the documents provided by clerks, such as the A-2 form and abstracts have been computerized. Information requests to assessors typically are supported with programming by TSB.

3. The state tax commission shall prescribe forms and documents to be used to comply with the requirements of subsection (1) of this section when the information contained in said forms and documents is needed by the tax commission (63-219(2)).

This was a modification presented during recodification and designed to permit flexibility in the design and use of forms. Alternate forms and alternate systems used for preparing property rolls and related documents, can be requested by counties. Alternate forms must be paid for by counties, but there is no further mention of funding for alternate systems used for the preparation of property rolls and related documents.

4. The state tax commission shall, at its expense, provide aid to the counties on numbering, mapping and software for implementation of this program, and shall, at its expense, provide uniform valuation assessment notices to the county assessor and property tax notices to the county tax collector ((63-219(4)).

This section appears to specify tax commission support and payment for mapping related aid as well as for two documents (assessment notices and tax bills) that counties send to taxpayers and therefore use externally and in large numbers. In other areas, we prescribe, develop, maintain, and enforce systems and documents, but do not necessarily need to provide forms or documents.

Conclusions

The main statute (63-219) can be read broadly or narrowly, with respect to material on preparation of property rolls and related documents. A narrow reading would suggest that the systems we support could be limited to assisting the assessor in the ministerial functions of compiling information into the property roll and preparing and sending out assessment notices. Continuing with a narrow reading, we would also be required to ensure that systems provide related information needed by us, such as what is included in the abstract, A-2, and related forms.

Tax notices must be provided for county use, but there is no direct requirement for computer support for county tax collectors. Although perhaps not intended to be a substantive change, the precursor statute that existed prior to the 1997 recodification required the tax commission to: *develop, maintain, and enforce a uniform system of statewide applicability for the preparation of assessment rolls, tax rolls, tax bills, and related documents...* (63-201A). The reference to “tax rolls and tax bills” was deleted when the act was recodified in its current form in section 63-219, Idaho Code. None of the discussion related to the original bill focused on this issue.

In reviewing the statement of purpose and minutes, it appears that one of the major issues was providing counties with computerized assistance and software to improve both record keeping and

the quality of assessments. This is implied in the minutes, which attribute comments related to helping counties with “reevaluation,” “uniform accounting,” and “annual update” to two members of the House committee (Reps. Reid and Munger) and one assessor (Ron Ross). This seems to fit with our emphasis on property valuation concerns, which have been central to much of the software development and assistance we have provided. Even given a narrow reading, it is apparent from the supporting documentation that the statute intends for us to be deeply involved with support for valuation functions. However, it is also apparent that counties were to be given incentives to participate in a statewide system, but not forced to do so. Because of this limit it is difficult to find anything in the statute that suggests how much support should be given to non-fully participating counties. This should be the subject of policy level discussion within the agency and stakeholders should be involved.

Summary of minimum requirements on STC

Issue	Minimum Requirement on STC
Computerized rolls and related documents	Develop, maintain, and make available to counties a Computer Assisted Assessment System (CAAS) for assessment administration (including assessment and tax notices) at STC expense. STC provides software to counties or pays for licenses for counties to use STC selected software. STC enables counties to use software but does not provide operators or operate software for counties.
Data exchange	Counties must use STC’s CAAS or STC provides counties with formats for all data required to be submitted to STC and counties must submit data in format compatible with STC’s CAAS. STC enables counties to use selected CAAS or use provided formats.
Parcel numbering	Develop and maintain a uniform parcel numbering system that is functional in STC’s CAAS.
Forms	STC provides assessment notices and tax bills at own expense. STC provides original of all other forms required of STC for duplication by the counties at their expense. STC approved alternatives of any required forms may be used by counties at their expense.
Appraisal uniformity	STC shall make a Computer Assisted Mass Appraisal System (CAMA) (that uses all three approaches to value) available at own expense for use by the counties at their expense. STC provides software or pays for licenses for counties to use STC selected software. STC enables counties to use software but does not provide operators or operate software for counties.
Mapping	At STC expense make assistance and training available to counties on mapping (that complies with codified mapping standards). STC enables counties to comply with mapping standards but does not do mapping.

One of the remaining questions is how much continuing education and training needs to be provided at STC expense. We particularly would wonder about this issue when there have been no significant software changes.

Please let me know if you have any questions regarding this information.