

MEDIA RELEASE

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Lawrence E. Stone, Assessor

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State Board of Equalization Issues Findings from Every-Five-Year Audit of Assessor's Office

EXCEPTIONAL PERFORMANCE AND PROFESSIONALISM NOTED

On Friday, the State Board of Equalization (BOE) released to Santa Clara County Assessor Larry Stone the results of its comprehensive audit of the Assessor's Office, including the accuracy of the assessment of homes and businesses, and compliance with the provisions of the California Revenue & Taxation Code. The audit, once again, confirmed the office's reputation for delivering fair and equitable assessments in a timely manner, consistent with state law.

"I continually hear strong, positive feedback from taxpayers as well as city and school officials about the professionalism, exceptional customer service and high ethical standards provided by my staff. But, it is always reassuring to receive formal, independent confirmation from the State agency entrusted with the oversight of our office, confirming that our assessed values are accurate and administered with strict adherence to the law," said Assessor Stone.

The BOE has a unique authority to levy significant financial sanctions if an assessor fails to meet established compliance standards. This statutory requirement sets a 95% compliance ratio as the threshold to continue to receive funds from the state to administer the processing of the county's supplemental assessment roll. The reimbursement to Santa Clara County totals approximately \$8.4 million annually equal to nearly 29 percent of our budget. The BOE audit concluded that the Santa Clara County Assessor's Office not only met the 95% compliance ratio, but achieved a total ratio of 99.94%.

Performed every five years, the BOE audit independently reviews appraisals and audits completed by the Assessor's Office, verifying the accuracy of the annual assessment roll. The audit occurred over a six-month period, and was conducted by a team of the BOE's most experienced assessment professionals. In addition, the audit suggested nine recommendations for improvement, the fewest since Assessor Stone was first elected in 1994.

The official announcement contained a statement from BOE Member Betty Yee, complimenting the Office for its strong management. "I congratulate Assessor Stone on his accomplishments and the professionalism of his staff in improving customer service and performance outcomes, particularly with the effective use of new technologies," said Yee.

The 67-page audit contained additional comments and praise for the office. Below are a few excerpts:

- "Discovery and valuation of properties with declines in value are high priority for the assessor. The assessor has been proactive in discovering and adjusting the assessments of properties

affected by declines in value. The assessor uses an automated computer program to aid in identifying certain residential properties for potential declines in value.”

- “We found the assessor's assessment appeals program to be efficient and well administered. During our survey, we were able to attend an assessment appeals hearing. We found the cases to be well prepared and presented. In addition, we reviewed several assessment appeals files and found them to be concise and well documented. The assessor's staff handling the assessment appeals are experienced and well prepared. We also found that the clerk and the assessor work effectively together as a team.”
- “The administration of property tax exemptions in Santa Clara is noteworthy. Every first-filing claim is thoroughly reviewed to ensure that it is complete and accurate. Claims are subjected to a checklist that provides an extra measure of certainty that all areas have been reviewed and addressed. The assessor's use of a property use report also speaks to their comprehensive administrative efforts. Of particular note is the county's effort to re-inspect all properties every four years... The welfare claims that we reviewed showed the assessor's diligence. Every discrepancy in a claim is noted and resolved, and extensive notes are applied to each file. We commend the assessor for his approach to this very important program.
- “We found the audits were accurate, well documented, and supported by a comprehensive audit checklist defining the areas of investigation.

“These great comments really are a tribute to the dedication and professional competence of our entire staff,” said Stone.

In addition to the positive results, the audit also made nine recommendations for improvement. Stone indicated that four of the recommendations have already been implemented, and the Assessor plans to adopt as many of the remaining recommendations as fiscally prudent. The Assessor’s response contained comments and/or action plans to address each of the recommendations. A complete copy of the survey is available at the BOE website: www.boe.ca.gov/proptaxes/apscont.htm.

In Santa Clara County, property assessments generate in excess of \$4 billion in property tax revenue for schools, cities, the county, redevelopment agencies, community colleges and special districts. The BOE’s oversight responsibility is designed to protect the integrity of the property tax system, and ensure the confidence of both the taxpaying public and government agencies that benefit directly from the revenue generated by accurate assessments.