

[Click Here To Close This Window](#)

---

## **Economy & Efficiency Commission Presentation**

---

*Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.*

**PRESENTATION BY**  
**Mr. Rick Auerbach, Assessor**  
**Los Angeles County**  
**Topic: The Assessor's Office Current And Future Direction**

**April 4, 2002**

---

Chairman Philibosian introduced Mr. Auerbach, the recently elected Assessor. Mr. Auerbach has had a career in the Assessor's office and had worked with former Assessor Ken Hahn to bring new efficiencies to the office. Mr. Auerbach has continued to improve on those efficiencies. The Chairman noted this would be the first time this Commission has heard from the Assessor, one of three county wide elected officials along with the District Attorney and the Sheriff.

Mr. Auerbach greeted the Commission and passed out an outline of his presentation to the commissioners. He discussed the role of the Assessor and noted that many people confuse the Assessor with the Tax Collector. As a result, he strives to make the distinction between the two departments whenever he speaks to people.

He briefly discussed the Assessor's Office Annual Report and highlighted the total assessed value of property under Prop 13 noting that 22% of properties within Los Angeles County still have their 1975 base year value. The mission of the Assessor is to create an accurate assessment roll and provide the best public service. In the last few years, Mr. Auerbach believes that his office does an excellent job in the assessment roll, but needs to improve some areas of public service. Some of these areas need to be addressed due to the public's lack of distinction between the Assessor and the Tax Collector.

The Assessor has continued the consolidation of field offices started by his predecessor, working to combine twelve offices into four central offices with a satellite office in Lancaster and a downtown office. Since people's service expectations are changing, there has been little criticism from the mergers. Many people no longer feel it is necessary to visit an office to get information. Consolidation will also allow employees to access the databases and systems used in their daily work. Updating existing offices is not feasible since the older buildings are not wired for today's technology and retrofitting them is prohibitively expensive.

The Assessor started a re-engineering effort about ten years ago. This has resulted in many changes to office processes, improving public service. For example, after looking at the methods used to handle deeds from the County Recorder, the Assessor modified and built systems to migrate the hand delivered and hand worked process to an automated, electronic process. Now the Recorder images the deeds and sends

electronic records. There have been problems along the way. For example, at one point the Recorder's Office fell behind in imaging the deeds, causing the Assessor fell behind in reviewing the deeds for an assessable event. At it's worse, the Assessor was receiving deeds in a 3-4 month timeframe, but it is now down to about 30 days. In the future, the Assessor hopes the Recorder will reach the 10 day timeframe, which was the previous process time.

The next part of the re-engineering effort was to have a consultant help look at work processes, not technology, just at the way the office worked. This identified some problems in the workflow. For example, one assessor could be working on a file for a construction project while another assessor was working on the same file for an ownership change. The workflows for the two functions did not have any mechanism to let the other know the file was already being worked. Based on the initial findings, a committee was formed to complete a document detailing the workflow process. That was completed two years ago. The subsequent 18 months were spent preparing an RFP for the work identified. That RFP has closed and the office is currently reviewing 9 bids ranging in price from \$10-\$40 million. If the committee reviewing the bids finds that none of the bids meets the requirements or it's prohibitively expensive, the RFP may have to be redone with lessened requirements or development will need to be completed internally.

The Assessor's Office has also made changes to its web site, providing information that was not previously available without a fee or a visit to an office. For example, assessor's maps were previously only available with a fee but now can be viewed online for free. Information is available on individual properties, such as assessed value, number of bedrooms, etc. This information does not include identifiable information about the owner such as name. A project has been started to put more forms online, such as the business property statement, that is filed by mid to large sized companies. This form lists the costs of the company's assets by year of acquisition. This information is used to make a valuation and will generate a tax bill for the business. In a pilot program started this year, the Assessor is pre-printing the previous years information on the form. About half of the businesses are being allowed to file this information online, 3000 filings so far this year.

Other changes made to improve public service include:

- The reversal of a decision to have the office closed to the public on Friday,
- Establishment of a property owners advocate – a person to help property owners through confusing situations that in the past has cause them to give up, and
- Creation of a single 800 number for use by the public to reach the Assessor's Office, the Treasurer/Tax Collectors and Auditor/Controller. While this is an automated system, callers know that they can press nine at any time to reach a live person. When this system first started, callers were on hold on average 4-5 minutes. In most cases now, the hold time is less than a minute for contacting an Assessor's representative, but longer to reach a Tax Collector's representative.

The Assessor's Office also has GIS maps of properties. These maps are used by many county departments and are updated whenever there is a new development or a new lot is created. To facilitate updates, a set of base maps for the GIS system were created. Overlay information is then placed on these maps. These base maps are provided to other departments, cities and companies either through a straight fee or licensing agreement. Revenue from these fees is funneled back to the County.

Labor Management Committees have been created. They currently meet in the office on a regular basis and provide recommendations to the Assessor's Office. To date, all recommendations brought forward have been acted upon. In fact, many recommendations are desired changes that are easily implemented. The resulting improvements in the quality of the staff can be seen in the increased quality of service to the public.

A Community Advisory Board has been established comprised of different panels of realtors/developers, community leaders and tax agents (people to represent tax payers who are having problems with their taxes). Three times a year the Assessor's Office meets with each panel to discuss problems and solutions. As a result of the suggestions from these meetings, several changes have been made in the department to improve public service.

Currently, funding is not an issue because the Assessor's Office has a Maintenance of Effort (MOE) contract with the state. This contract provides \$13.5 million in funding for the Assessor's office, as long as the county funds the department at a level equivalent to 1994-95. These funds have been, and will be, used primarily for employee salaries. That being said, upon embarking on a systems overhaul, the office will be looking at a budget shortage due to the increased expense.

In 1993, the Assessor started working on field office consolidation. In 1995, a plan was submitted to and approved by the Board of Supervisors and the CAO. The Assessor tried to open a Sylmar office immediately, but was not able to complete the process until 1999. There were many approvals and hurdles along the way, but the bottom line is that there were probably too many people involved in the decision process.

Mr. Auerbach opened the floor to questions.

Commissioner Fuhrman asked about some figures in the annual report provided by the Assessor that referenced changes to assessed value under Proposition 8. This proposition allowed for the property owner to get a decrease in assessed value when market conditions worsened, but also had provisions to return the assessed value to its starting point plus the 2% increase when the market improved. He questioned whether it was a fair assumption that all people taking advantage of the decrease in the early 90's should be automatically increased since the market has improved so dramatically. Mr. Auerbach replied that this was not necessarily so since, until recently, not all properties had increased in value. He said this was compounded by the fact that the tax base is established on January 1 of a given year, so the assessed value is always a year behind. Additionally, since the condition of the property was unknown, adjustments in assessed value need to be conservative and processed individually.

Commissioner Padilla asked about the percentage of the property tax dollars collected returned to the cities. Mr. Auerbach replied that each city receives a differing percentage, and some cities don't receive any. Overall however, the county gets about 24%, the schools, either directly or through the state, about 43% and cities/special districts receive the balance.

Commissioner Petak asked if during the re-engineering process, the Assessor's Office was considering the acceptance of electronic fund transfers as a means of paying property taxes. Mr. Auerbach replied that in some cases electronic funds transfers were already required. This function falls primarily under the Tax Collector.

Commissioner Barcelona asked if the process had been improved to allow decreases to assessed value due to a change in market conditions. He noted that his question was prompted by complaints previously that the process took too long or the parties could never speak to anyone causing them to give up on the process. Mr. Auerbach replied that the process had been improved. The office has already completed an internal computerized system to adjust the assessed values by reviewing recent sales in a given area. While this system is normally used to raise the assessed value, it can be used to lower values as well. He commented, that one of the concerns expressed by many people regarding the decrease in assessment values, dealt with the possibility of pressure being applied to his office to not lower values. In his term, he has only felt pressure once, but this will not offset his commitment that assessment values should reflect the actual market conditions. Commissioner Barcelona responded by asking whether the decrease would be initiated by the property owner or by the Assessor's Office. Mr. Auerbach replied that in many cases it would be initiated by the Assessor, in fact, in the last recession the office lowered values on about 100,000 homes. Many others are reduced through the appeals process.

Commissioner Hill asked whether there were any areas that the Commission could assist with, perhaps with the permitting/approval process, specifically referring to the problems faced in trying to get a building built, or an office consolidated. She wondered if that process couldn't be expedited if there were a more limited number of decision makers. Mr. Auerbach responded that he wasn't sure how to address the problem. In many ways he felt that the process involved was a matter of size, that the number of people involved was based on the overall size of the county government.

Commissioner Thompson commented on a recent lawsuit in Orange County that dealt with the situation of an assessed value being lowered due to market conditions and then raised when the market increased more than the 2% allowed under Prop 13. This returned the assessed value to the amount before the decrease. The court found that the increase allowed in the constitution was only 2%, not the full amount of the decrease plus 2%. He asked the Assessor if he had any further information. Mr. Auerbach replied that this case had originally begun when the appeals board sided for the property owner on not being able to increase the property value greater than 2%. They were relying on the constitutional provisions while assessors rely on the statute, the law. He felt that the decision should be appealed to determine what the constitution actually says. He noted that the problem could be fairly significant when you consider that this is money that has already been collected and will need to be returned depending on the courts decisions. He was concerned that if it was not addressed quickly, it would be a large problem to fund the refunds.

Commissioner Simmons asked that the Assessor clarify the information that was on the Internet for a property. Mr. Auerbach replied that the Internet displayed information about the property itself; assessment, square footage and lot number for example. It did not contain the property owner's names or other identifiable personal information. Commissioner Simmons then asked about the process used to evaluate a property that falls under the Prop 13 valuation established in 1978 law upon completing an addition. Mr. Auerbach replied that currently, a questionnaire sent by mail and then there is usually a follow up with an appraiser going to the property. Under the guidelines, only the new addition is assessed at current market value, while the original construction remains under the 1978 Prop 13 evaluation.

Commissioner Crowley questioned what this Commission could do to assist the Assessor's Office. For example, perhaps it could assist in resolving difficulties between the Board of Equalization and the Assessors Office who each have a role in the appraisal process. Commissioner Crowley wanted to make the Commission available as a resource to help resolve problems or difficulties. Mr. Auerbach expressed his gratitude for the offer.

Commissioner Sylva commended the Assessor for his work in improving employee relations and his efforts to incorporate new technology into his work processes. She then asked about whether the information contained in the Annual Report was distributed to the cities. Mr. Auerbach replied that the report was sent to every mayor and council member. Historically, he has spoken to many of the larger cities about the role of the Assessor's Office. Commissioner Sylva asked if the Assessor was involved in the County's Economic Summit. Mr. Auerbach replied that he had heard of the summit but was not involved. Commissioner Sylva expressed an interest in getting the Assessor involved in that process.

Commissioner Padilla asked about the fiscalization of land use with cities developing mini malls wherever possible to get sales tax revenue generated for the city since they felt they were not getting sufficient property tax dollars. Mr. Auerbach replied that the methods used to allocate property tax dollars left little incentive for cities to develop housing projects. The solution to this problem was reforming the way these dollars are allocated.

Commissioner Petak commented that he felt the information in the annual report would be of interest to more people than just the mayors and council members of the cities. Mr. Auerbach replied that in many cases that would be true and much information was available on the Assessor's web site. He continued saying that it would be prohibitively expensive to send the information to all the property owners in Los Angeles County. Chairman Philibosian commented that the media might be interested in this information. Mr. Auerbach replied that the information was sent to all of the newspapers, but that the local papers were often better about reporting the information than were the national papers.

Chairman Philibosian thanked Mr. Auerbach for his informative presentation to the Commission and all of his good work.

[Return to Top of Presentation](#)

[Return to Agenda](#)



Kenneth Hahn Hall of Administration, Room 163, 500 West Temple St.,  
Los Angeles, CA 90012  
Phone (213) 974-1491 FAX (213) 620-1437 [EMail eecomm@co.la.ca.us](mailto:EMail_eecomm@co.la.ca.us)  
WEB [eec.co.la.ca.us](http://eec.co.la.ca.us)