



## Travis County Commissioners Court Agenda Request

**Meeting Date:** July 22<sup>nd</sup>, 2014

**Prepared By/Phone Number:** Monica Rupp 512-854-3286

**Elected/Appointed Official/Dept. Head:** Bruce Elfant, Tax Assessor-Collector

**Commissioners Court Sponsor:** County Judge Sam Biscoe

### **AGENDA LANGUAGE:**

- CONSIDER AND TAKE APPROPRIATE ACTION ON 2014 PARCEL FEE RATE (TAX ASSESSOR-COLLECTOR)

**BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:**

**STAFF RECOMMENDATIONS:**

**ISSUES AND OPPORTUNITIES:**

**FISCAL IMPACT AND SOURCE OF FUNDING:**

**REQUIRED AUTHORIZATIONS:**

**AGENDA REQUEST DEADLINE:** All agenda requests and supporting materials should be submitted as a pdf to the County Judge's office, [agenda@co.travis.tx.us](mailto:agenda@co.travis.tx.us) by **Tuesdays at 5:00 p.m.** for the next week's meeting.



**BRUCE ELFANT  
TAX ASSESSOR - COLLECTOR  
VOTER REGISTRAR**

July 10<sup>th</sup>, 2014

MEMORANDUM FOR THE COUNTY JUDGE SAM BISCOE

PRECINCT 1, COMMISSIONER RON DAVIS  
PRECINCT 2, COMMISSIONER BRUCE TODD  
PRECINCT 3, COMMISSIONER GERALD DAUGHERTY  
PRECINCT 4, COMMISSIONER MARGARET GÓMEZ

FROM: Bruce Elfant, Tax Assessor-Collector

SUBJECT: Parcel Rate Recommendation

---

Throughout the past year our office has been asked several times by different members of the court to assure that Travis County is recapturing appropriate cost from other taxing entities for which taxes are collected by the Travis County Tax Office. The Tax Office has discussed with several metropolitan counties the computation used; and, their process. The process varies by county, but one common factor is other county departments are more involved in the actual calculation. Our office has gathered and included additional costs, for the 2014 tax year, that have not been considered in previous parcel rate fee calculations. We believe there is a need to study additional options; and, will recommend to the court that a committee be formed that should include the County Auditor, Planning and Budget, County Attorney, Tax Office and entity representatives to further study and create a new parcel fee rate model for tax year 2015.

The following are some of the additional items that were not considered in previous tax years, but are being considered for tax year 2014:

1. A percentage of other tax office division salaries that play a role in the collection of property taxes.
2. Tax Statement Processing and Mailing Cost
3. Utility, Maintenance, Custodian, Grounds and Security Cost of not only the main Airport Blvd location, but also Tax Office Satellite Offices
4. Software Enhancements
5. Other Service Cost

In addition, over the years the factor named 'Delinquent' had actually changed from an actual delinquency factor to an overall Property Tax Collections factor, but was not renamed. The factor name has now been changed to the 'Collection' factor.

Attached is the spreadsheet used to calculate the 2014 tax year parcel fee rate. The sections of the Texas Property Tax Code pertaining to the Parcel Fee Rate are Sec. 6.23, 6.24 and 6.27. Please do not hesitate to contact Monica Rupp or Renea Deckard for further explanations. Our plan is to take this to the July 22<sup>nd</sup> Commissioners Court hearing to have the 2014 parcel fee rate approved at \$1.27 per parcel and to ask the court to create a committee to thoroughly study this issue and come up with a new parcel fee module for 2015 tax year.

## 2014 Parcel Fee Rate

In accordance with Texas Property Tax Code, Sec.6.23, 6.24, and 6.27, we have attempted to fairly allocate expenses incurred while assessing and collecting for all taxing jurisdictions involved in Travis County's consolidated collection program for the 2014 tax year. The cost model used in this year's tax collection expenses include:

- ACCOUNTING - Reconciliation of collections; report and fund disbursements.
- COLLECTIONS - Administrative costs for assessing and collecting property tax.
- EFFECTIVE TAX RATE AD - Newspaper publication notices required by Texas Property Tax Code Sec.26.04 (e).
- EFFECTIVE TAX RATE CALCULATIONS - Compilation and calculation of information required by Texas Property Tax Code Sec.26.04.
- INFORMATION SYSTEMS LABOR SUPPORT - ITS labor support costs.
- COMPUTER/RPD SYSTEM ANNUAL UPKEEP - Annual maintenance supplies, printing and licensing costs.
- COMPUTER SYSTEM COST - AS/400 system annualized costs based on a five year payout.
- MAILING COSTS & POSTAGE – Cost of processing tax statements.
- MAINTINENCE & OPERATION – Based on percentage usage of space and upkeep of facilities.
- SPECIAL CONSIDERATIONS / PURCHASES - Expenses incurred in addition to the above.

The fair sharing of costs allocated to the jurisdictions is solely based on the relative number of parcels. The allocated expenses and per parcel fee calculation are shown on the attached.

The Travis County Tax Office recommends the Court adopt the calculated 2014 parcel fee rate of \$1.27. The current parcel fee rate is \$1.19.

Attachment: Tax Year 2014 Parcel Rate Calculations and Parcel Rate Fact Sheet

If my staff or I can be of further assistance, please do not hesitate to call me at 4-9632.

BE/mr

cc: Jessica Rio, Budget Director, Planning and Budget  
Nicki Riley, County Auditor

# TAX YEAR 2014 PARCEL RATE CALCULATIONS

Prepared by the Travis County Tax Office

<b>PROPERTY TAX COLLECTION EXPENSES</b> (Jurisdiction Allocation)	
Accounting	\$247,007
Collection Salaries	\$1,013,806
Collection Operational Cost	\$175,337
Legal Advice County Attorney Division	\$112,033
Effective Tax Rate Ads	\$15,557
Effective Tax Rate Calculation	\$42,317
Information Systems Labor Support	\$56,237
Annual Maintenance, Supplies, Processing, License Support	\$91,204
AS/400 Annualized Costs (5yr)	\$15,297
RPD Annualized Costs (3yr)	\$27,103
Mailing costs (Vendor)	\$55,713
M&O Airport Blvd (22%)	\$73,484
M&O Satellite offices (4.17%)	\$21,327
Postage	\$85,050
eCheck services	\$38,974
Software upgrades	\$13,056

**TOTAL ALLOCATED COLLECTION COSTS** \$ 2,083,502

## PER PARCEL RATE CALCULATION

(Jurisdictions other than Travis County)

Costs ÷ parcel count 1,638,468 = \$ 1.27

## PARCEL RATE REVENUES

(Revenue may differ from costs due to rounding)

Parcel Rate x Parcel Count = \$ 2,080,854



**BRUCE ELFANT  
TAX ASSESSOR - COLLECTOR  
VOTER REGISTRAR**

July 15<sup>th</sup>, 2014

**PARCEL RATE FACT SHEET**

**Summary**

- The calculated 2014 parcel fee rate is \$1.27.
- Calculated rate is 8 cents higher than the current (2013) parcel fee rate.
- The 2014 projected revenue is \$2,080,854.
- Projected revenue is \$216,815 more than the 2013 projected revenue.
- There are 6 jurisdictions new to the Travis County Tax Office.
- The 2014 parcel count for jurisdictions in Travis County excluding the County is 1,638,468.
- Parcel count is 72,049 more than 2013 parcel count used in calculations.