August 1, 2006

Jon Michael Penn, Foreperson
FY 05/06 Grand Jury
Superior Court of California
700 Civic Center Drive West
Santa Ana, CA 92702


Dear Mr. Penn:

Per your request, and in accordance with Penal Code 993, enclosed please find the County of Orange response to the subject report as approved by the Board of Supervisors. If you have any questions, please contact Theresa Stanberry at (714) 834-3727 in the County Executive Office who will either assist you or direct you to the appropriate individual.

Very truly yours,

[Signature]

Thomas G. Mauk
County Executive Officer
Responses to Findings 6.1 – 6.3:

6.1 Orange County Is Prepared to Deal With A Large Increase in Property Tax Appeals:
The COB and the OOA have made significant improvements in their operations that provide
the capacity of handling a substantial increase in the volume of appeals.

Response: Agrees with finding.

6.2 The COB and the OOA Are Continuing to Study and Improve Their Operations: Both
Departments have ongoing programs to design even more effective systems and procedures.
Employee training is ongoing and new techniques of providing additional service and
outreach to the public are pursued.

Response: Agrees with finding.

6.3 Significant Claims Increase: If a substantial decrease from present real estate prices occurs,
there would be an accompanying increase in assessment appeals. Using the mid-1990s
situation as a benchmark, it is estimated that the number of appeals currently being filed
might represent only 20-25% of what could result from a bursting real estate “bubble.”

Response: Agrees with finding.

Responses to Recommendations 7.1 – 7.3

7.1 Maintain The Current Level of Performance: The level of performance achieved by the
COB and OOA over the last 10 years should be sustained.

Response: The recommendation has been implemented.

The current level of staffing and funding for hearings and training represent the minimum
level of service necessary to maintain an adequate appeals program.

7.2 Continue to Seek Ways for Expansion and Refinement of the Appeals Cycle: Emphasis
on the activities such as the following should be stressed: (1) expanding the capabilities of
the automated systems, (2) educating and keeping employees current in their knowledge and
skills, and (3) finding additional ways and sources to contact and service the public.

Response: The recommendation has not yet been implemented, but will be implemented
in the future.

The redesign of the ATS system and expanded use of online e-file, along with continued
training for staff, Assessment Appeals Board members and the public is critical to the
ongoing success of the program. The COB continues to examine their processes, training
needs and will be creating further automation as part of the system redesign process. This
recommendation is ongoing.
7.3 **Test Current Systems' Capabilities:** The COB and OOA should consider conducting tests of current systems to ensure that, in the event of a repeat of the mid-1990s increase of assessment claims, processing will be accomplished expeditiously and within department guidelines.

*Response:*  *The recommendation has not yet been implemented, but will be implemented in the future.*

The COB and the OOA work closely together to quickly expedite all appeals. They will continue to work together during the redesign of the ATS system and examine all areas of the appeals processes and automation that may be needed to insure ability to respond to increased numbers of appeals. The redesign of the ATS system over the next 2-3 years will be thoroughly tested throughout development.