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OFFICE OF THE ASSESSOR

August 15, 2006

Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court
Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Response to 2005-06 Grand Jury Report, *A Review of the Assessment Appeals Process*
"From Worst to First"

Dear Judge Stock:

The Orange County Assessor Department has received a copy of the 2005-06 Grand Jury Report, *A Review of the Assessment Appeal Process "From Worst to First"*. In compliance with Penal Code 933.05(f), the Assessor Department provides the following response to Findings 6.1, 6.2 and 6.3, Recommendations 7.1, 7.2, and 7.3 in this report.

Finding 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 from Assessor: Concur

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 from Assessor: Concur

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 from Assessor: Concur. Please note the actual volume of the appeals may be higher or lower than this estimate, subject to the extent of changes to the market conditions.

Recommendation 7.1

Maintain The Current Level of Performance: The level of performance achieved by the COB and OOA over the past 10 years should be sustained. (See Finding 6.1)

Response from Assessor: Concur. The Assessor Department will continue to maintain its staffing level and make resources available to support the assessment appeals related functions. A significant increase in appeal work would strain our current people resources. This review will be an ongoing effort.

Recommendation 7.2

Continue To Seek Ways For Expansion and Refinement of the Appeals Cycle: Emphasis on activities such as the following should be stressed: (1) expanding the capabilities of the automated systems, (2) education and keeping employees current in their knowledge and skills, and (3) finding additional ways and sources to contact and service the public. (See Finding 6.2)

Response from Assessor: Concur.

- (1) The Assessor Department is undertaking a re-engineering effort of the Assessment Tax Systems (ATS). Further enhancement of the appeals handling will be an element of this project over the next three (3) years.*
- (2) The Assessor Department has an ongoing training program for our appraisers covering technical skills, legislature updates and other professional development areas. This is an ongoing effort.*
- (3) The Assessor Department always looks for ways to enhance our interface with the public. We are currently redesigning our department website. We also inform the public of their right to appeal in various notices throughout the year. The website redesign project is expected to be completed by March 31, 2007.*

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Recommendation 7.3

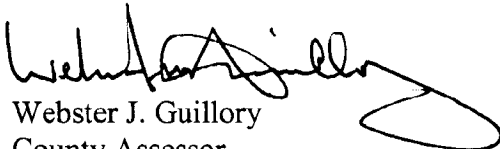
Test current systems' capabilities: The COB and OOA should consider conducting tests of current systems to ensure that, in the event of a repeat of the mid-1990s increase of assessment claims, processing will be accomplished expeditiously and within department guidelines. (See Findings 6.3)

Response from Assessor: Concur. The Assessor Department has been working closely with the Clerk of the Board (COB) in the development, testing, enhancing and implementation of the current systems. The current systems have no design capacity limits and have been used successfully to handle a workload of up to 15,000 appeals per year representing a significant test each year. We will discuss with the COB by December 31, 2006, to consider the need and approach for additional tests.

The Assessor Department appreciates the opportunity to review this important subject with the Grand Jury.

Please call me at (714) 834-2734 if you have any questions.

Sincerely,


Webster J. Guillory
County Assessor

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ct: Thomas Mauk, CEO
Darlene Bloom, Clerk of the Board of Supervisors
Orange County Grand Jury