

## **The Property Tax Collection and Special Local Assessments Adventure:**

*Best practices for optimizing your very important revenue sources*

**Course Description:** Property taxes represent the most significant source of revenue for a municipality. It is critical that tax collections are accurately billed, collected and enforced. The Chief Finance Officer (CFO) depends on the Tax Collector for information to prepare the Annual Financial Statement, Budget, and Audit. But Tax Assessors, Municipal Clerks, Public Works Directors and other local government professionals need to learn the details associated with tax collection and the part they play in the overall revenue stream of the municipality.

To begin, there will be a general review of the different property classes including vacant land, residential, farms and commercial properties. Class material will also feature the valuation processes for these different types of property classes. Participants will develop a better understanding regarding how and why the tax bases for communities are similar and/or different.

The seminar will also focus on the property tax billing process. A number of examples will be utilized to reinforce the teaching concepts during this part of the presentation. For example, the components of the certified tax rate (i.e. school, county, and local) will be illustrated. How to calculate an Added /Omitted Tax Bill will be addressed. Other calculations will include County Tax Board and State Tax Board Judgments as well as those for Senior Citizens and Veteran deductions. CFOs will now have more background as they complete the journal entries for these aforementioned calculations.

The class will include discussions on property tax collections. A review of the tax sale process with actual examples will be included in the seminar. To mitigate this impact, a municipality can execute in rem foreclosure procedures on these particular liens. Actual examples pertaining to foreclosure will be integrated into the presentation by the instructor. The necessary journal entries related to tax sale, municipal liens and foreclosure will be reviewed. Other issues to be addressed in this class are: 1) How to account for receipts from delinquent taxes, and 2) The receipt and disbursement of tax overpayments and prepaid taxes.

The final stages of the seminar will pertain to special local assessment projects. First, the valuation process for such projects will be highlighted. The Municipal Clerks need to notify the property owners. The Tax Collectors will be responsible for billing, reporting, and enforcing these special assessments. The CFOs will need to know the extent of the pledge of assessment cash for each project. At the end of the seminar, the participants will realize how the CFO and Tax Collector depend upon each other for accurate records.

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## **Learning Objectives:**

After completing the seminar, the participants will

- Understand the basics of the valuation process
- Learn the details behind the journal entries associated with the billing, collecting, and enforcing responsibilities, related to property taxes
- Determine the details of additional journal entries for special local assessment projects

## **Course Syllabus and timed agenda**

### **Section 1. Property Classes - 9:00AM to 9:45AM**

- a. Vacant land
- b. Residential
- c. Farms
- d. Commercial
- e. Tax bases and valuation processes

### **Section 2. Property Tax Billing - 9:45AM to 10:45AM**

- a. Certified tax rates
- b. Tax bill calculation
- c. State Tax Board judgments
- d. County Tax Board judgments
- e. Senior Citizens and Veterans deductions

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## **Section 3. Property Tax Collections - 10:45 AM to 11:45AM**

- a. Tax sale process
- b. New municipal liens
- c. In rem foreclosures
- d. Delinquent taxes
- e. Prepaid taxes and overpayments

## **Section 4. Special Local Assessments - 11:45AM to 12:45PM**

- a. Valuation process
- b. Billing, reporting and enforcement
- c. Pledges of assessment cash

## **Section 5. What Have We Learned? - 12:45PM to 1:00PM**

As a means to evaluate the students, the instructor will ask the seminar participants to **briefly** write about:

- How they can relate one of the above topics to their work experiences, **OR**
- Something that they learned for the first time during the seminar

[NOTE: There will be two 10-15 minutes breaks during the seminar]