

Centralized Property Tax Administration Program  
Centralized Collection Database

Feasibility Study

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1. Executive Summary:

This study is a review of the centralized tax information database in use in Monroe County, New York.

The County is currently using an automated collection system. This is the second system that the County has utilized. The first was developed in the 1970's and was in service up to 2006. The current system was brought on line in 2006. The system provides support for the County Treasury as well as the 20 Towns of Monroe County. The town tax receivers have received extensive training in the use of the system and use it for collection, taxpayer support and reporting.

The system supports a basic internet site that provides tax information for taxpayers and businesses needing tax information, e.g. abstract companies. Taxpayers may also pay their County/Town tax bills through the internet, using either credit cards or internet checks.

A program is underway to support towns who wish to allow taxpayers to pay school taxes with credit cards. Already five towns are online with this process.

In the area of school tax, since non-first class towns are not required to collect school tax, about 7% of the school tax accounts are not handled online with the system.

The existing system provides comprehensive tax information on all properties in the county as regards their county/town property tax bills and payment history.

This study suggests that a possibly productive avenue to pursue in extending the system is to evaluate and study the possibility of encouraging the school districts that are not in first class towns to utilize the tax collection system. Making the system available for villages to use should be evaluated as well. The study and defining process would be envisioned to begin in early 2009 with the possibility of some system changes, where feasible and affordable, applied as early as the summer of 2009 and others taking place subsequent to that.

## II. Existing System:

### A. County Tax Collection -- Towns

The system that is in place is the EZ-Tax system provided and hosted by Hamer Enterprises of McAllen Texas. The system supports all of the 20 towns in Monroe County. There are 263,000 properties in Monroe County that are tracked on the system. Data for the system is updated through several paths. Weekly updates are provided from the Real Property System (RPS) that tracks all of the properties in the county with assessed value and property owner information. The real property data is based on updates that are entered into the RPS system by Town Assessors. As taxes are paid, the payments are posted to the system either by the Town tax receivers, the County cashiers or via a lockbox data transfer process.

The base system is designed to support acceptance of payments in cash, credit card, check or money order. Credit cards are only accepted via an internet process.

All of the bills; that the county sends out in January, are bar-coded to facilitate posting of installment payments through the use of a simple scanner. Bills have a barcode on them to assist with lookups when the bill is presented to a tax receiver equipped with a scanner.

System maintenance is the responsibility of the hosting company. They are responsible for system backup as well as maintenance and security. The system provides multi-tiered user access. Users are entered in to the system by the host, based on a request from the county's project manager. Individual towns request users to be added via the county's project manager. As users are entered they have various levels of capability, these include read only, read and post and for a limited handful of users access to more sophisticated posting or data entry capabilities. Each level of access is based on a request by the county's project manager and is instituted by the system hosts security manager.

Users who have access to the system may view complete data on the parcels that they search for. The data available includes bill detail as well as payment history.

The internet provides a means of access for the general public via a basic internet portal. A user may look up individual property information including the most recent county tax bill and payment history.

Taxing jurisdictions all have access to the system via high speed internet connections.

Data integrity is a joint effort between the system host and county treasury staff. County treasury staff has the key role in ensuring that proper data is provided to the host and also reviews data upon entry to ensure that it is correct.

User support is primarily via telephone to County staff trained to support the system for the town users. There are a couple levels of this support, there is an application level that is supported primarily through the county treasury and a technical level supported via the County Information Services department.

The cost of support is primarily the cost to have the system hosted. There are already existing connections with all of the towns that are being supported and relied on very heavily by the system. The monthly hosting and maintenance costs are approximately \$9700.

The county treasury division is dedicated to collecting taxes and supporting the town tax collections, the tax collection portion of the treasury budget including support for the towns and support services from the information services department is about \$1.4 million. These costs are for both the County / Town tax collection as well as the suburban School Tax collection.

#### B. Village Tax Collection Systems

The county has 10 villages that collect taxes on their own without interface with the county except that the county guarantees the village tax levies. The villages are:

- Brockport with 1702 properties,
- Churchville with 883 properties,
- East Rochester with 2,673 properties,
- Fairport with 2136 properties,
- Hilton with 1951 properties,
- Honeoye Falls with 1016 properties,
- Pittsford with 704 properties,
- Scottsville with 817 properties,
- Spencerport with 1316 properties and
- Webster with 1384 properties.

That is a total of 14,582 properties within villages or about 5.5% of the County properties. The villages operate with very small staffs that are dedicated to providing constituent services with tax collection as just one of their duties. Conversations were conducted with 7 of the villages and a survey prepared by the Monroe County Village Clerks association was used for the balance of the villages.

Brockport uses a system called TSL which is supplied by Tavia S. Latona of Buffalo, NY. Data is housed locally. The TSL software provides the reports and analysis tools that are used. The village staff inputs and maintains the data. The village accepts checks, money orders and cash. There is no bar coding available. System maintenance is provided by TSL as is system backup. The system allows the users to view individual account status. There are 4 village staff who have viewing access to the data and 2 who have rights to post or change data in the system. While internet access is available to the village there is no data made available via the internet. Data integrity is the responsibility of the village staff. User support is provided by TSL either remotely or on-site. The current annual licensing and maintenance cost is about \$500.

Churchville use a paper based process for tracking its tax receipts. Payments are accepted in either cash or check.

East Rochester uses Gemini Prosoft program for tracking and analyzing tax collections. The software is housed on a local server. The program provides a report writer module for analysis. Data is maintained by the Village Clerk / Treasurer staff. Payments are accepted in the form of cash, check or money order. There are no scanning

options available. System maintenance and user support is handled by Prosoft. Backups are done daily. The system provides the ability to look at individual accounts and their status, however no internet access is offered. The village does have high speed internet available. Data access is limited to 5 people on the staff, three of those people can enter data. Data integrity is the responsibility of the Clerk-Treasurer. The current cost is about \$5000.

Fairport uses a module, provided by Gemini Prosoft. The module is part of the village accounting system that provides for tax collection tracking. The system is a local system with no internet use or access. Data is created by the NYS Real Property Services for initial bills and is input to the system. Payments are accepted by the village and also be some local banks. The Village accepts payments in cash, check or money order, the banks accept payments via credit card. The village staff is responsible for backing up the system and they are the only ones with access to the data. The village clerk/treasurer staff is responsible for maintaining the integrity of the data. The software system has been in place for several years and user support is provided primarily in-house. The software costs are limited to annual maintenance contract costs and are in the range of \$1500 annually.

Hilton uses Business Automated Systems (BAS) for its tax collection processing. The data is housed locally. Analysis and reporting is provided by BAS. Data is input and maintained by the village staff. Payments are accepted in cash, check or money order. There is no bar-coding or scanning option available. Village staff provide system maintenance and backup processing. BAS provides the ability to look at individual accounts and their status. Data access is limited to the dedicated village staff. While there is availability of high speed internet no data is accessed via the internet. Data integrity is the responsibility of the Clerk / Treasurer. User support is provided by BAS via remote access to the system. The annual maintenance cost is \$650.

Honeoye Falls uses software from Williamson Law Books and also tracks payments by hand on the printed tax roll.

Pittsford uses software from Williamson Law Books and also tracks payments by hand on the printed tax roll.

Scottsville uses a paper system based on the printed tax roll.

Spencerport uses WinTax software provided by Allen Tunnel Co., the software is housed locally and provides analysis and reporting tools. Data is entered by the Clerk-Treasurer staff of 4 people, all of whom have read and write access. The village staff ensure that data backups are done daily and also manage the security functions. Accounts are viewable individually with status. No data is provided via the internet although the village has internet connectivity. Data integrity is the responsibility of the Clerk-Treasurer. Annual licensing is about \$1200 annually.

Webster uses Property Tax Manager from Harris Computers. The system is housed locally and provides the necessary analysis and reporting tools. Bills are loaded into the system by Harris and all posting of payments is done by village staff. There is no bar-coding. The village accepts cash, checks and credit cards. Backups are done daily by village staff and any security changes are also done by village staff. There are 4 staff members with read access to the system and two with write access. There is no internet data availability at this time although the village has high speed internet access. The Clerk-Treasurer is responsible for data integrity. User support is provided by Harris as needed. The estimate annual licensing and fees is \$1000.

Since villages that have some type of database collection system in place have that interface with their existing finance system there is only limited opportunity to provide them with a remote solution that would be attractive. Since data for each village property is already in the system extensions to provide support to the villages are available for future consideration.

#### C. City of Rochester Collection System

The City of Rochester collects taxes on its own with no interaction with the County. The city collects its delinquent taxes and follows through on its own foreclosure process. The city taxes cover both city operations and the city school district. There are 66,726 properties and the 2008 tax bill for the city was \$235.5 Million. The city has about 25% of the county's properties.

The city uses a mainframe based system that was developed in house and has been enhanced over several years of use. As an internally developed and housed system all of the functions are maintained by city staff including backup, security and data maintenance. The City Treasurer is responsible for data integrity. Access to the system is limited to city employees and write access is limited to the treasurer's staff. The city provides internet access to citizens via a website to provide them with access to their account status. On-line payments are also accepted via the internet. The forms of tender that are accepted include cash, check, credit card, electronic funds transfer, and direct account debit. Unique to the city, taxpayers may make partial payments, of any amount and at any time during a collection cycle. The city's annual cost for its tax collection system is approximately \$1.1 Million.

Since the City's collection system is fairly robust and integrated with other city systems the attractiveness of a remote solution provided by extensions to the existing county database are likely to materialize only at some distant future point.

#### D. Collection of Suburban School District Taxes

The existing system supports collection of taxes for suburban school districts. This is a two part process, initial collections of the school taxes are either by the first class towns or by the school districts. The initial collection of a first installment is done by the local collectors with the second and third installments collected by the county. Local collection is also active for full payments through the end of October. In

November the county takes over all school tax collection and any uncollected tax as of the end of the collection period, November 18, is re-levied onto the subsequent years' County / Town tax bill.

The system supports, through a complex set of business rules, both the town tax receivers and the county process. Those accounts that are not collected by town tax receivers are considered to be off-line for the initial collection period. These accounts comprise about 7% of the collection database. This appears to be an area of opportunity for enhancing database content and future collection processes; it may however involve participation by the school districts and possibly inter-municipal services agreements to be put in place.

### III. Proposed Centralized System.

#### A. Future Plans

There is already a centralized system in place to support the collection of the County/Town property taxes and for the most of the suburban school taxes.

Connectivity and ease of support are an issue relative to bringing more of the suburban school districts on to the system. About 7% of the school district bills are not on the system and to bring them on would require the school districts move toward automation and display an interest in working with the county. This is likely the most readily implemented change. Most of the school bills are already loaded into the EZ-Tax system and would require the school collectors to work with the EZ-Tax system if they so desired. Since the EZ-Tax system currently runs on a virtual private network and requires technical and network support from the county Information Services department there are some technical as well as commercial hurdles that would need to be overcome. Should the EZ-Tax system be redeveloped and deployed as a secure browser based system these connectivity issues would be mostly mitigated and may provide an enticing solution for some of the currently off-line school districts.

The same connectivity issues exist with the villages. It does not seem practical to move the villages to the tax collection system, since those that currently use automation are generally integrated with their own finance systems. Should the centralized collection system become browser based at some point in the future, there may be an opportunity to incorporate the village tax collection process at minimal additional expense to either the villages or the county. Additionally, for some of the villages it may be an attractive possibility. However, adding Village tax status to the database is a basic objective of this project. Since the county already relieves uncollected village taxes and makes the villages whole on their tax levy some data is clearly already collected through an existing process. The process will be modified so that the central database tracks the original billed amount as well as other status. Each village will need to submit, as part of their surrender in November, an electronic spreadsheet of all of their accounts listing the account number, the original tax bill amount, the amount paid and data paid. Where no payments have been made the billed amount will be submitted with no payment information (amount or date). This data will be loaded into the database and will also be used to support county collection of taxes as well as to support the relevy process.

Redeveloping and redeploying the EZ-Tax system as a browser based system is a long term goal. It will not be accomplished immediately. However to aid in the movement toward a browser based system a recommended approach is to have Vortex Consulting work with Hamer Enterprises, the EZ-Tax vendor, in studying and developing an approach to creating a browser based interface for those aspects of the system that would be most potentially beneficial. In that light the primary recommendations here are to define the data needs and approaches that are most helpful for moving to a browser base for those EZ-Tax functions that would make the system attractive and useful to the off-line school districts.

Since the study and implementation of this is envisioned as a multi-year undertaking the first steps are designed to prepare the way for subsequent ones. A project to define the scope and content of moving to a browser based system is recommended. This would involve Vortex Consulting and the Hamer Enterprises development teams as well as staff from the Monroe County Treasury and participants from the Monroe County information services staff.

Once some of the existing connectivity difficulties are overcome it will be a much more streamlined process to presenting the use of the system to the off-line school districts for their tax collection. It will essentially be a little or no cost option for the end users to begin using the system; it will require training and communications for the new users.

As part of the long range plan the county will continue to work with its vendors to encourage the development of a browser based system and its ultimate implementation.

## B. System Parameters

The system already has records set up for all of the properties in the county. Additionally, all school bills are already being loaded into the system, even those that are collected and tracked off of the system. Before the completion of a school tax season these bills are either marked as still due, and become the county's responsibility to collect or are marked as having been paid. The basics for this process already exist in the EZ-Tax system. The EZ-Tax system is designed to process lockbox files for posting purposes, so for additional school districts there is no change to the system.

Data would continue to be hosted by Hamer Enterprises who remains responsible for loading all tax bills into the system from the RPS data. Tender types for collection would remain unchanged. The tools that already exist in EZ-Tax would be used for the analysis and reporting on the tax collection process. These tools present an opportunity for significant upgrade to attain elegance and user friendliness. While billing data would be loaded to the system from RPS, the collection data would be the responsibility of the assigned tax receiver until such time as collections are turned over to the county.

Since the school bills are already bar coded, the use of this feature by the off-line school districts would be a matter of their convenience.

System maintenance would continue to be a joint effort of the county treasurer, county information services department and Hamer Enterprises.



The vendor would be expected to continue to backup the system on a daily basis as they do currently.

With a browser based system the existing data will be more readily accessible for local tax receivers.

Data integrity will be a joint responsibility of the county treasury as well as the local taxing authority, as appropriate.

User support will continue to be provided by the county treasury, county information services department and the vendor, as appropriate to any particular issue.

There should be minimal effect on the cost of licensing and maintenance. Most of the data is already in the system so there is no significant impact on system data requirements. Initial definition, implementation, training and testing is estimated at \$50,000 - \$100,000, this is dependent on the scoping process and availability of funds.

The updates of owner name and addresses will be processed weekly based on input to RPS. The input to RPS will be the responsibility of the local assessing authority. Since the bills are generated from the data in RPS it is important that the local assessors keep the data as up to date as possible. A data file from RPS will be extracted and loaded into the EZ-Tax system.

Unpaid bills are currently viewable on the system and depending on the type of bill have their own unique way of being handled. This process would not change. County bills that are overdue are marked as delinquent in late August and carried in the system as delinquent accounts. School and village bills that remain unpaid in late November are re-levied to the succeeding year's county/town tax bill. .

Since the system already works with RPS files there is no plan to suggest or request changes to RPS, however, if there are changes to RPS output it would be most appropriate to be notified by ORPS as soon as possible so that any necessary change can be handled without incurring a crisis.

There are no plans to change the bank code processing; the largest files are currently loaded programmatically. The local assessors are responsible for the smaller data sets. The only opportunity here is a more streamlined way to remove bank codes on accounts when they are no longer needed.

The plan would be to continue to use dedicated bills for each of the property tax functions. Since the recipients' of the taxes varies, as well as the collectors it would be more effective to continue to use the existing schema.

Currently there are two banks in the county that provide lockbox processing to the various tax receivers. Since the system is designed to handle these processors no change

is envisioned. If a third bank were to appear on the scene the processing system could be modified to support a third bank.

#### IV. Implementation Plan

- A. Since Vortex Consulting is on the state bid list for professional services, no RFP is needed to move forward with changes to the database.
- B. The intent would be to make initial browser based interfaces available so that they would be available for evaluation and testing in July of 2009 and available for use in September 2009 and continuing through spring of 2010.
- C. No additional staff is envisioned for implementation of changes to the system.
- D. The estimated cost for browser based enhancements to the system is \$50,000 – 100,000.
- E. The communication plan is to continue to utilize existing networks and email bulletins. As appropriate, all local tax receivers will be invited to attend training courses sponsored by the county treasury. The training courses would be oriented toward providing both technical updates and introduction to new features and how to effectively utilize them.

For Villages; a spreadsheet template will be made available for them to use in submitting the necessary data for the status and relevy. The Villages will also need to be informed of the data requirement prior to their bills being created to allow them time to prepare the data.

- F. Buy in from the various entities that are not already utilizing the system will require presentation of a working system with numerous local positive references. The cost to any taxing jurisdiction must be negligible so that implementation for them is a matter of internal change and training without loss of significant functionality. To be effective the basic functioning interface must be available in early July so that it can be demonstrated to potential users for their evaluation. The basic functioning features will need to be available in early August to support training of new users. Since school tax collection starts on September first, if demonstrable features are not ready by early July they will not be utilized until the following year.