

2024 – 2025



Civil Grand Jury

Final Report

**Addressing Refund Delays
In the Property Tax Assessment
And Collection System**

May 2, 2025

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Addressing Refund Delays in the Property Tax Assessment and Collection System

SUMMARY

The Ventura County Property Tax Assessment and Collection System is highly complex and interdependent. The Assessor's department utilizes Oasis software to identify, track, and assess the value of property. Pertinent data are integrated with the Orbit system, which is used by the Auditor-Controller and Treasurer-Tax Collector departments. These departments use Orbit software to determine tax rates, calculate property taxes, prepare the tax bills, apply payments, and distribute funds to over 400 government agencies.

The primary processes of assessment, property tax calculation, invoicing, payment application, and revenue distribution are working well. However, there is work remaining to be done regarding property tax refunds. The Property Tax Assessment and Collection System software is not consistently handling the various recurring circumstances in which a property tax refund is warranted. Refund processing remains problematic due to software limitations, inadequate interdepartmental communication, and the absence of transparent monitoring mechanisms. There is a lack of internal metrics to categorize, quantify, and report on the status of potential refunds. Furthermore, no metrics are available to the public that would provide assurance that the delays in property tax refunds are being vigorously addressed.

The absence of formal procedures and metrics for tracking negative supplemental assessments exacerbates delays in refunds, leading to taxpayer frustration, dissatisfaction, and diminished trust in government efficiency. This Civil Grand Jury report highlights the progress that has been made, as well as the remaining challenges to address regarding the processing of property tax refunds.

METHODOLOGY

The Ventura County Civil Grand Jury received a public complaint concerning a property tax refund that had not been received after a lengthy lapse of time from the original notification that a refund was pending. An Investigative Committee was formed and began its research process. Online research began with a study of the websites for the Offices of the Assessor, the Auditor-Controller, and the Treasurer-Tax Collector. The committee identified specific department leaders and staff to be interviewed. These interviews provided clear explanations of each department's responsibilities in preparing property tax assessments and bills. The members then reviewed the information and identified particular facts relevant to this investigation. Follow-up questionnaires were sent to interviewees for further clarification as needed. The Ventura County website provided county-specific documentation. Multiple presentations to the Ventura County Board of Supervisors (VCBOS) spanning 2016-2024 were reviewed. The documents included project justifications, budgets, timelines, and vendor contracts, all related to the entirely new computer programs implemented by each of the mentioned departments.

BACKGROUND

In March, 2016 the VCBOS was presented with a revised plan to replace the outdated Property Tax Assessment and Collection System (PTACS) with a new state-of-the-art fully integrated software solution. It took three years, from 2013 to 2016, to find a vendor to implement an integrated PTACS system. When the selected vendor proved to be unable to provide a viable solution, a decision was made to develop a custom system. The revised plan was to pursue an in-house solution to update existing county technology and provide integrated functionality. The revised proposal had the unanimous support of the county's Information Technology department and the Financial Committee. A detailed letter was presented to the VCBOS in March 2016 specifying a custom software development process, required internal and external resources, a timeline, and the breakdown of the \$13.3 million dollar budget. The letter was signed by Dan Goodwin, Assessor, Jeffery Burgh, Auditor-Controller, Steven Hintz, Treasurer-Tax Collector, and Mike Pettit, Chief Information Officer. (Ref-01)

The legacy property tax process was running on an outdated IBM mainframe system utilizing thirty-plus year-old programming language. The process was supported by approximately forty main programs and an estimated five hundred newer, supplemental property tax system applications that were built using client/server and web-based technologies. Some of the county's core business functions were being supported by manual and spreadsheet solutions. Over 90% of the General Fund, including General Purpose Revenue and at least four hundred government entities, was supported by the legacy system. Annually, over \$1.4 billion dollars of revenue were collected and distributed via the legacy process. Current annual property tax revenue has grown to approximately \$2.0 billion dollars. (Ref-02, Ref-03)

Research for the new technology proposal included a review of various California counties' tax solutions, analysis of current market options, as well as contracted research by the consulting firms Gartner Inc. and Forrester Research. Ventura County was not alone in the pursuit of next generation software options; Los Angeles, San Luis Obispo, and Santa Clara counties were also pursuing fully integrated property tax solutions. (Ref-04)

After identifying and resolving multiple issues, the PTACS system became operational in two phases. The Assessor's department became operational in October of 2021, utilizing the Oasis program. The Auditor-Controller and Treasurer-Tax Collector's departments became operational in July of 2023 utilizing the Orbit program. The process of identifying and resolving multiple issues pushed the proposed cost from \$13.3 million dollars to \$18.8 million dollars and the integrated go-live date from 2019 to 2023. (Ref-05, Ref-06)

DISCUSSION

The Ventura County PTACS is a highly complex and integrated system. It must have the capacity to scale as the county grows and to be flexible enough to accommodate changing tax laws and voter-approved bond measures. (Ref-07)

The Assessor's office uses Oasis software to track at least 250,000 property parcels annually. Oasis integrates pertinent data, including owner, valuation, and location, with the Orbit software utilized by the Auditor-Controller's office and the Treasurer-Tax Collector's office. (Ref-03)

The Auditor-Controller's office utilizes Orbit to maintain the various tax rates applied to the assessed value of a parcel. It also uses Orbit to ensure proper apportionment of collected

revenues to the appropriate government agencies. Orbit tracks the Tax Rate Area (TRA) that each parcel belongs to in order to enable the apportionment process. A TRA is a geographic area within the jurisdiction of a unique combination of revenue districts, including local agencies and school districts. Each TRA is assigned a five-digit numeric identifier, referred to as a TRA number. TRAs are used to calculate tax rates in accordance with the California State Constitution. It also tracks the multiple subsidiary funds that are in the TRA. A typical TRA will have the County General Fund and may have several additional subsidiary funds to support school bond measures, water districts, and any other voter-approved bond measures. Each of these subsidiary funds may have a unique tax rate. The overall tax rate for a TRA is applied to the assessed value of each property. The accuracy of the tax rates maintained in Orbit is a crucial key to the successful apportionment of property tax revenue. (Ref-08)

The Treasurer-Tax Collector's office utilizes Orbit to generate property tax invoices in order to collect and process property tax payments. Over 400 government entities rely upon PTACS for timely and accurate distribution of property tax revenue. (Ref-02)

Although the complex cycle of assessment through invoicing, collection, and apportionment is functional, there is an area that has proven to be extremely difficult to automate completely. The process of refunding property tax payments continues to be problematic.

Assessment Roll Changes (ARCs) process all changes to the secured, unsecured, and supplemental rolls, provide mandated notices to property owners, and notify the Auditor-Controller and the Tax Collector of needed corrections to the tax bills. ARCs are typically triggered by a change in ownership or new construction. Inaccurate or missing information, or clerical errors can result in supplemental taxes. The supplementals can require an additional tax bill or a refund. The Assessor's office may initiate an ARC for multiple reasons. Typically, the sale of property triggers an updated assessment, which usually results in an increase in property taxes. Also, major additions to houses trigger new assessments and drive additional property tax invoices. PTACS has recently begun to handle the majority of these cases well. Orbit has been successfully generating batches of 1,000 supplemental invoices. (Ref-09)

ARCs can also result in negative supplementals, which may result in tax refunds. Various events, such as fires, floods, and earthquakes may reduce property values. Less severe causes include changes in market conditions or the timing of a specific property sale. When an ARC results in a decrease in assessed value, certain facts need to be determined before a refund is authorized. (Ref-09)

Facts to be determined may include but are not limited to:

- Are there any outstanding property taxes due?
- What is the effective date of the assessment?
- What were the effective property tax rates at the time of invoicing?
- Is all the pertinent information in the current PTACS?
- Is any of the required information only in the legacy system?
- Who is the owner of record for the time period?

The process of answering these basic questions can instigate much manual cross-departmental communication if all the information is not in the system. It is not clear if any formal manual procedures have been created to address these needs efficiently. In many cases in which facts have been determined and a refund is required, the system does not have the ability to create

the refund. Although leadership, the operational departments, and the software programmers are aware of these issues, and are attempting to address them, progress is slow. Despite heightened awareness of the problems impacting refunds, management does not have an internal dashboard to monitor, categorize, and report on the status of negative supplementals in an efficient manner. They have not developed an outward-facing portal that the public can access to track the status of their refund.

FINDINGS

F-01. The Civil Grand Jury finds that the complexity of fully integrating the Ventura County Property Tax Assessment and Collection System was more than most property tax software vendors were prepared to accommodate.

F-02. The Civil Grand Jury finds that the decision to take the Ventura County Property Tax Assessment and Collection System project in-house to build a custom program was a bold and forward-thinking solution that could accommodate Ventura County's current and growing needs into the foreseeable future. However, the challenge of completely automating the tax supplementals still remains.

F-03. The Civil Grand Jury finds that the current programming is not successfully automating negative supplemental property tax refunds in a timely fashion.

F-04. The Civil Grand Jury finds that taxpayer dissatisfaction is rooted in delays and lack of clarity regarding the supplemental process.

F-05. The Civil Grand Jury finds that current oversight mechanisms are not effective in facilitating interdepartmental communications, and this can impair fluid implementation of policies and procedures.

RECOMMENDATIONS

R-01. The Civil Grand Jury recommends that by October, 2025 the Ventura County's Information Technology Services Department, in collaboration with the Assessor, the Auditor-Controller, and the Treasurer-Tax Collector, create a weekly internal dashboard to ensure efficient monitoring, categorization, and reporting on the status of reduced assessments. The data driving the dashboard must include enough specific information to track in an accurate fashion the progress of individual potential property tax refunds.

R-02. The Civil Grand Jury recommends that by October, 2025 the Ventura County's Information Technology Services Department, in collaboration with the Assessor, the Auditor-Controller, and the Treasurer-Tax Collector, create a monthly public facing portal, based upon the data driving management's internal dashboard, that tracks the status of refunds. Care should be taken to maintain required confidentiality.

R-03. The Civil Grand Jury recommends that by October, 2025 the Assessor, the Auditor-Controller, and the Treasurer-Tax Collector work together with Information Technology Services Department to ensure that internal and external resources are regularly allocated to the Oasis and Orbit platforms so as to allow property tax refunds to be processed and sent without delay.

R-04. The Civil Grand Jury recommends that by October, 2025 the Auditor-Controller and Treasurer-Tax Collector collaborate to develop manual processes that will document, calculate, confirm, and then authorize property tax refunds that cannot be automated.

RESPONSES

Responses invited from:

The following officers serving at the discretion of the County Executive Officer within 60 days:

Chief Information Officer (F-01, F-02, F-03, F-04, F-05, R-01, R-02, R-03, R-04)

Responses required from:

The following elected officers within 60 days:

Assessor (F-01, F-02, F-03, F-04, F-05, R-01, R-02, R-03, R-04)

Auditor-Controller (F-01, F-02, F-03, F-04, F-05, R-01, R-02, R-03, R-04)

Treasurer-Tax Collector (F-01, F-02, F-03, F-04, F-05, R-01, R-02, R-03, R-04)

The following governing body within 90 days:

Board of Supervisors (F-01, F-02, F-03, F-04, F-05, R-01, R-02, R-03, R-04)

COMMENDATIONS

The Ventura County Assessor's Office, Auditor-Controller's Office, Information Technology Services Department, Treasurer-Tax Collector's Office, and the Board of Supervisors are to be commended for having the vision to take on this essential yet daunting project.

REFERENCES

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- Ref-06.** Taylor, K., Burgh, J., Horgan, S., and Terrence, T. (2024, May 21). *Request for Approval for the Purchasing Agent to sign, Amendment No. 6 to the Brainsharp, extending the Contract End Date from April 24, 2024, to December 31, 2024.* County of Ventura Board of Supervisors Meeting (Item 20).
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- Ref-07.** Ventura County Assessor. (2025). *The Property Tax System Organizational Chart.* Retrieved on March 3, 2025, from:
<https://assessor.venturacounty.gov/property-information/homeowners/property-tax-system/>
- Ref-08.** Ventura County Assessor (2023-2024). *Apportionment Tax Rate Data Report*
<https://vcportal.ventura.org/auditor/docs/property-tax-reports/tax-rates/2023-2024/7.%2023-24%20TRAs%2003000-03999%20Oxnard.pdf>
- Ref-09.** Ventura County Assessor. (2025). *Supplemental Assessments.* Retrieved on March 3, 2025, from:
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GLOSSARY

TERM

DEFINITION

Apportionment: The process of calculating how much property tax revenue is allocated to each of the 400+ government agencies authorized to receive the funds.

Assessment Roll Changes (ARC): The revision of the value of a previously assessed property.

Bonds: The items approved by the voting public prior to appearing on your tax bill. For information regarding any of your bonds, contact the taxing district at the telephone number provided next to the bond name on your tax bill. The Ventura County Treasurer-Tax Collector has no jurisdiction regarding the bonds listed on your bill.

Centralized Communication Platform: A unified system for managing interagency workflows.

Dashboard: A quantitative visual interface displaying key metrics to track performance.

Oasis: The software used by the Assessor's office to identify, track and assess the value of property.

Orbit: The software used by the Auditor-Controller and Treasurer-Tax Collector departments to determine tax rates, calculate property taxes, prepare the tax bills, apply payments and apportion funds.

Negative Supplemental: A reduction in assessed value that may result in a property tax refund.

Parcel or ID Number: This number is used to identify the property. This numbering system is utilized by the Assessor's Office and includes the map book, page number, the block on the page and the parcel.

Property Tax Assessment and Collection System (PTACS): Software to integrate and automate the property tax cycle from identifying taxable property and assessing its value all the way through to billing, collecting, and apportioning the revenue.

Prop 13 Maximum 1% Tax: Regulated by the Revenue and Taxation Code for the State of California, the amount calculated on this line is equal to 1% of the Net Total of the assessed net value of the owner's property.

Secured Supplemental Property Tax: On July 1, 1983, California State Law was changed to require the reassessment of property as of the first day of the month following an ownership change or the completion of new construction. In most cases, this reassessment results in one or possibly two secured supplemental tax bills being sent to the property owner in addition to the annual secured property tax bill. The Assessor first determines the new value of the property based on current market values. The Assessor then calculates the difference between the new value (set at the time of purchase or completion of new construction) and the old value (set on January 1 of the previous fiscal year). The result is the supplemental assessed value. Once the new assessed value of the property has been determined, the Assessor will send the owner a notification.

Subsidiary Funds: Defined Tax Rate Area (TRA) specific voter approved projects, special districts, or county wide general funding that compose the overall property tax rate applied to a parcel.

Supplemental: A secondary invoice as the result of a change in assessed value. It can be a positive or negative adjustment.

Supplemental Assessments: The supplemental roll provides a mechanism for placing property subject to Proposition 13 reappraisals due to change in ownership or completed new construction into immediate effect.

Tax Rate Area (TRA): The geographical area in which a property is located. Special districts, schools, cities, and water districts are collecting money for voter-approved bonds and special assessments. Because not all the bond rates are the same, the owner pays taxes according to which bonds were approved in the area where the property is located.