



# **Office of the Tax Commissioner 2013 Business Plan**

**Richard Steele  
Tax Commissioner**

- ◆ **Elected Constitutional Officer**
- ◆ **Bill, collect, and disburse property taxes, fees**
- ◆ **Bill, collect and disburse motor vehicle taxes, fees**
- ◆ **Tag agent for the state**
- ◆ **Services provided generate revenue and/or are mandated by law**

## **In 2011:**

- ◆ **Directly served over 1 million customers**
- ◆ **Processed 1.5 million transactions**
- ◆ **Collected and disbursed over \$1 billion**




**Property taxes represented 67 percent of the total  
FY 2011 General Fund revenues**

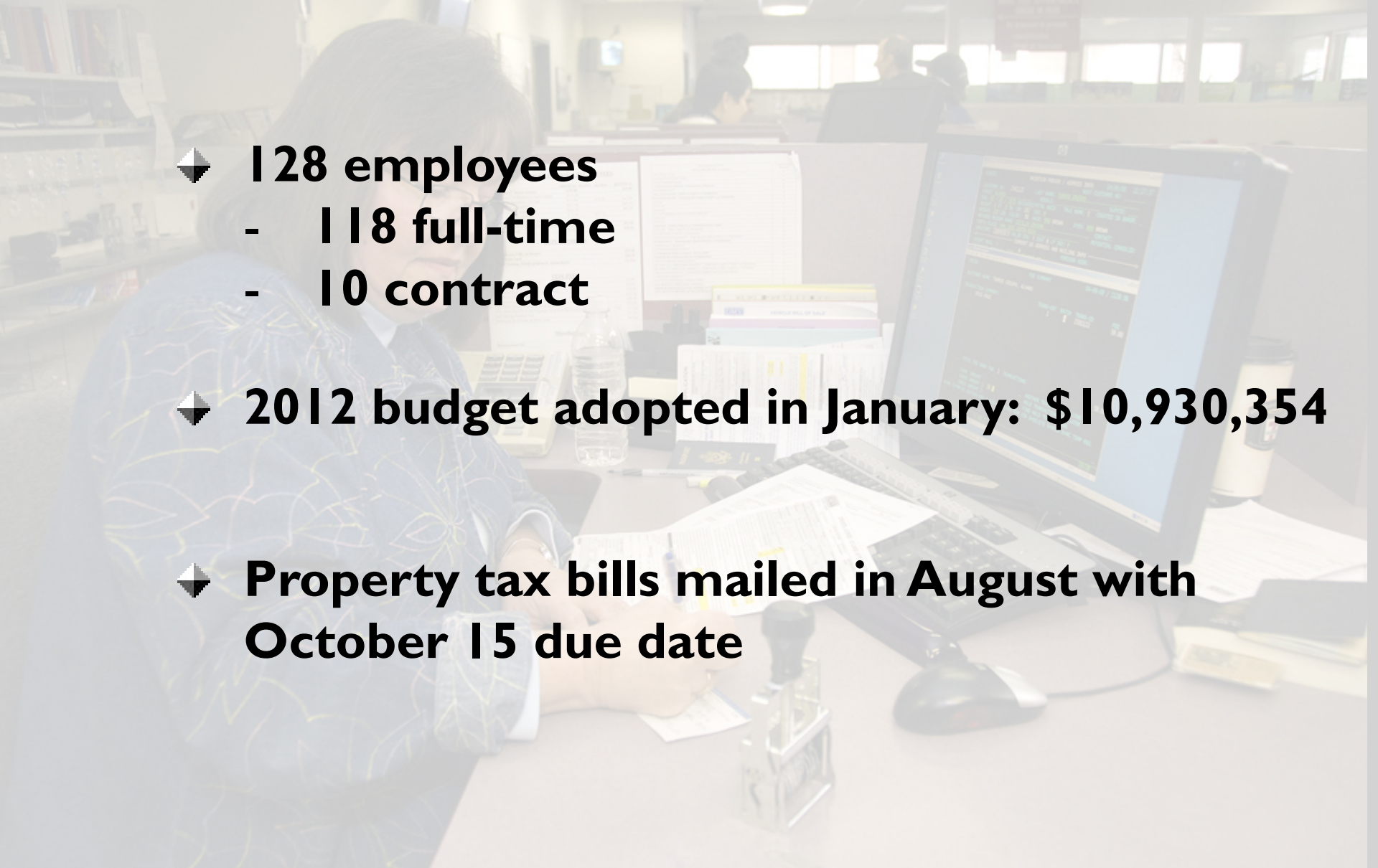
## **Property Tax**

- ◆ **Served 162,000 customers and processed 336,506 transactions**
- ◆ **Collected \$915 million**

## **Motor Vehicles**

- ◆ **Served 900,000 customers and processed over 1.1 million transactions**
- ◆ **Collected \$98 million**

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- ◆ **Sales of Fi.Fa.s have resulted in \$6 million collected**
  - ◆ **Tax sales have brought in \$3.1 million**
  - ◆ **Individual Delinquent Collector activities have resulted in over \$4 million**

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- **128 employees**
    - **118 full-time**
    - **10 contract**
  - **2012 budget adopted in January: \$10,930,354**
  - **Property tax bills mailed in August with October 15 due date**



## Through July 31, 2012

- ◆ **Sales of Fi.Fa.s have resulted in \$1.1 million collected**
- ◆ **Tax sales have brought in \$1.7 million**
- ◆ **Individual delinquent collector activities have resulted in \$2.3 million collected**



## **House Bill 386: Effective March 1, 2013**

- ◆ **Significant impact on OTC operations**
- ◆ **Lengthens average title processing times by 5-10 minutes per transaction**
- ◆ **Corresponding increase in call center and email volume**
- ◆ **60% of all used vehicle title work related to casual sales**

**(DOR estimate) Projection:**

**Process 142,000 used vehicle titles in 2013**

# 2013 Service Enhancements

- ◆ **HB 386 staffing, credit card fees and associated costs = \$793,430**
- ◆ **DOR new license plate mandate postage = \$170,991**
- ◆ **Drive-through upgrade for new license plate delivery = \$25,000**
- ◆ **Delinquent tax collection staff and equipment = \$183,629**
- ◆ **New IT position = \$61,476**

# **HB 386 Staffing, Credit Card Fees and Associated Costs: \$793,430**

- ◆ **8 contract employees for tag office front-line operations**
- ◆ **2 contract employees for Call Center**
- ◆ **Computer equipment**
- ◆ **Additional credit card machines and credit card fees**
- ◆ **Educational material printing and insertion**

# **HB 386 Staffing, Credit Card Fees, and Associated Costs: \$793,430**

◆ 8 front-line contract employees:	\$ 244,000
◆ 2 Call Center contract employees:	\$ 61,000
◆ Computers and credit card machines:	\$ 6,430
◆ Additional credit card fees:	\$ 470,000
◆ Educational material printing and insertion:	\$ 12,000

# **DOR New License Plate Mandate Postage Requirements: \$170,991**

- ◆ **2013 DOR mandate: replace 1997-2005 series license plates**
- ◆ **293,523 license plates to be replaced; approximately 89,524 (30.5%) to be mailed**
- ◆  **$89,524 \times \$1.91$  in additional postage = \$170,991**

# **Drive-Through Upgrade for License Plate Delivery: \$25,000**

- ◆ **Approximately 56,000 customers may choose drive-through service to receive new license plates**
- ◆ **Current drive-through system not designed to handle plates**
- ◆ **Could significantly increase customer volume at the Lawrenceville Tag Office**

# **Addition of Four Full-Time Staff to Delinquent Collection Team**

- ◆ **In 2011, three delinquent collectors collected \$4.4 million through individual efforts**
- ◆ **Adding positions will increase delinquent collections by:**
  - **Enabling more efficient handling of tax liens and tax sales**
  - **Increasing the frequency of contact with delinquent taxpayers**



# **Addition of Four Full-Time Staff to Delinquent Collection Team**

<b>Potential Revenue</b>	<b>\$5.3M</b>
<b>Cost</b>	<b>\$0.2M</b>
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<b>Net Gain</b>	<b>\$5.1M</b>



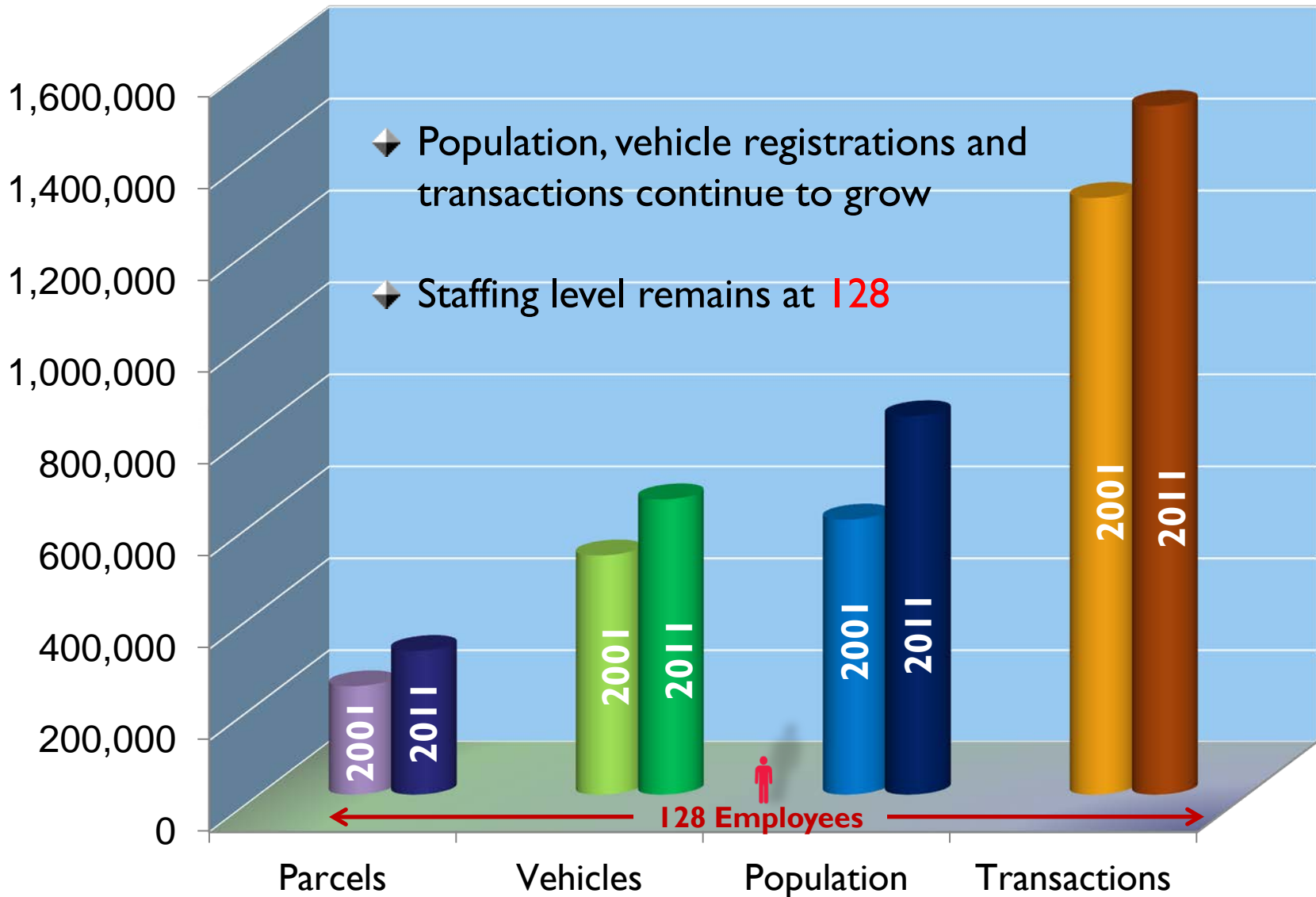
# **New I/T Associate II Position: \$61,476**

- ◆ **Long-term contract employee provides immediate IT support to all six locations**
- ◆ **Position will be used for additional Manatron support**
- ◆ **Reallocate \$50,000 from Professional Services plus \$11,476 to fund position**

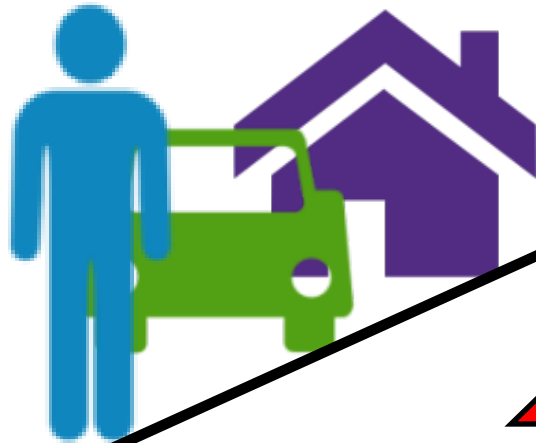


# **No service reductions planned**

- ▶ **Services generate revenue – reduction in services reduces collection efficiencies**
- ▶ **Some services cannot be cut due to mandates**



- ◆ One adult adds at least one vehicle renewal/registration yearly
- ◆ If they own a home, there is at least one tax transaction yearly
- ◆ In 2011, there were 12,000 transactions per employee



Technology and contract employees used where possible to assist customers

**1.5 Million Transactions**

<b>2012</b>	<b>DESCRIPTION</b>	<b>2013</b>
\$6,726,201	Personal Svcs	\$6,717,217
\$2,119,011	GOE	\$2,143,442
\$2,133,887	Contributions	\$2,208,449
<b><u>\$10,979,099</u></b>	<b>Total Base Budget</b>	<b><u>\$11,069,108</u></b>
\$0	Decision Package	\$1,234,526
<b><u>\$10,979,099</u></b>	<b>Total Budget Request</b>	<b><u>\$12,303,634</u></b>



**Questions?**