

**Memorandum of Understanding  
For  
California Assessors' Application of the  
State of California  
Information Technology Grant Funding**

**Document Control Date: Sept. 16, 2022**

## **MEMORANDUM OF UNDERSTANDING FOR INFORMATION TECHNOLOGY**

**(Document Control September 16, 2022)**

THIS Memorandum of Understanding, titled the “California Assessors’ Information Technology Group Agreement” (hereinafter “MOU”), is effective October 1, 2022, by, between, and among the undersigned California County Assessors for the purposes of collecting, storing, and maintaining, sharing data and development of technology necessary to the assessment functions.

**WHEREAS:**

- (1) The State of California has budgeted \$30 million, \$10 million in the 2022-23 State budget and anticipated \$20 million allocation in the following two years, \$10 million in 2023-24 and \$10 million in 2024-25, to a governing entity comprised of the majority of Assessors in the State of California to be used for information technology as outlined in the request for funds from the California Assessors’ Association (“CAA”) to the State of California (Exhibit A); and
- (2) Title 1, Division 7, Chapter 5, Article 1 of the California Government Code establishes a procedure for the exercise of powers common to the contracting parties where those parties are within the definition of the term “public agency”; and
- (3) The parties have agreed to enter into this MOU to begin the process of applying to the State Department of Finance (“DOF”) for grant funding and memorialize their intent to form a separate governing entity with legal authority to contract for services--such as a Joint Power Authority or similar entity deemed satisfactory by the DOF; and
- (4) The parties desire, in the future, to form a governing entity allowing for legal authority to contract for services for the purposes of collecting, storing, maintaining, and sharing data and developing technology necessary to the assessment functions performed by the California County Assessors (“Participating Assessors”), each of which is an officer and agent of his or her respective county (the counties being the “Participating Parties”); and
- (5) Under the provisions of Revenue and Taxation (“R&T”) Code Sections 441-454 and 480-484, a county assessor has authority to gather confidential information from property owners necessary and relevant to the determination of the fair market value of property for purposes of property taxation within that Assessor’s county; and

The Participating Assessors seek through this MOU to initiate the process of jointly implementing information technology solutions to assist in the standardization of statewide assessment practices through the formation of a public entity that will more easily qualify for grant funding made available for this purpose and that will provide more efficiently for statewide collaboration on these technology and data management solutions.

NOW, THEREFORE, in consideration of the mutual promises of performance set forth herein, the parties agree as follows:

1. TERM. The term of this Agreement is from October 1, 2022 through and including September 30, 2023, a period of one (1) year, or until such time as it is superseded by the Joint Powers Agreement or similar public entity formation agreement described in the recitals. Funding decisions for purposes of this MOU will be made on an annual basis through a separate written Annual Fiscal Agreement until such time as this Agreement is superseded or terminated as described herein. This agreement may be continued based on the consent of the Participating Parties.
2. ADMINISTRATION. This MOU shall be administered by the California Assessors Association (“CAA”). The Participating Parties, by majority vote, shall select and designate the Coordinating Assessor. The Coordinating Assessor shall be responsible for coordinating with the CAA President and CAA Treasurer to apply for grant funding with the DOF and oversee the subcommittee of Assessors.
3. GOVERNANCE OF SUBCOMMITTEE. The subcommittee shall help guide the scope of the IT projects until a public entity is formed. The subcommittee shall be comprised of 11 California County Assessors. The participating counties shall annually elect the 11-member board. The 11-member board shall be comprised of a Coordinating Assessor who shall also serve as the Chairperson, Treasurer who shall be the Treasurer of the California Assessors’ Association, and nine (9) other Assessors as follows:
  - a. Three (3) Assessors from small population counties –not to exceed 200,000 residents.
  - b. Three (3) Assessors from medium population counties –200,000 and 1 million residents.
  - c. Three (3) Assessors from large population counties – exceeding 1 million residents.
4. TERMINATION. Any party hereto may withdraw from this MOU upon giving sixty (60) days written notice to the Coordinating Assessor and the Treasurer.
5. MODIFICATION. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on any of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding unless authorized by the parties in writing.

6. SUCCESSORS AND ASSIGNS. The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties.
7. REVIEW FOR LEGAL ADEQUACY. Each party to this MOU acknowledges and agrees that this MOU has been reviewed by each party's respective legal counsel for legal adequacy.
8. SEVERABILITY PROVISION. If any term or portion of this MOU is held to be invalid, illegal, void or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this MOU shall continue in full force and effect.
9. SIGNATURE IN COUNTERPARTS. This MOU may be executed in counterparts by all parties. The MOU is effective as to any signatory party on execution and, for purposes of enforcement, true copies of signatures shall be deemed to be original signatures.

IN WITNESS WHEREOF, the parties execute this MOU as of the date first written above.

(Participating Assessors Signature Page Following)

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**PARTICIPATING ASSESSORS**

By:

County of Alameda

By:

County of Alpine

By:

County of Amador

By:

County of Butte

By:

County of Calaveras

By:

County of Colusa

By:

County of Contra Costa

By:

County of Del Norte

By:

County of El Dorado

By:

County of Fresno

By:

County of Glenn

By:

County of Humboldt

By:

County of Imperial

By:

County of Inyo

By:

County of Kern

By:

County of Kings

By:

County of Lake

By:

County of Lassen

By:

County of Los Angeles

By:

County of Madera

Participating Assessors (Continued)

By: _____ County of Marin	By: _____ County of Mariposa
By: _____ County of Mendocino	By: _____ County of Merced
By: _____ County of Modoc	By: _____ County of Mono
By: _____ County of Monterey	By: _____ County of Napa
By: _____ County of Nevada	By: _____ County of Orange
By: _____ County of Placer	By: _____ County of Plumas
By: _____ County of Riverside	By: _____ County of Sacramento
By: _____ County of San Benito	By: _____ County of San Bernardino
By: _____ County of San Diego	By: _____ County of San Francisco
By: _____ County of San Joaquin	By: _____ County of San Luis Obispo

Participating Assessors (Continued)

By: _____ County of San Mateo	By: _____ County of Santa Barbara
By: _____ County of Santa Clara	By: _____ County of Santa Cruz
By: _____ County of Shasta	By: _____ County of Sierra
By: _____ County of Siskiyou	By: _____ County of Solano
By: _____ County of Sonoma	By: _____ County of Stanislaus
By: _____ County of Sutter	By: _____ County of Tehama
By: _____ County of Trinity	By: _____ County of Tulare
By: _____ County of Tuolumne	By: _____ County of Ventura
By: _____ County of Yolo	By: _____ County of Yuba

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## **EXHIBIT A**

### **PROPOSAL TO THE STATE OF CALIFORNIA**

The California Assessors' Association [CAA] has worked to improve and modernize the way Californians interact with Assessor's Offices. We have created a JPA that shares certain services to allow e-filing of business property statements and downloading required forms. To improve and build on these successes, we request a one-time General Fund grant of \$60 million that would be available for expenditure through 2024-25. Our vision is to create a JPA model to deliver: easy-to-use, fast, dependable and secure public services; common technology solutions that are easy to use across counties; and a customer-focused portal for government services that makes it easier for members of the public to find information and complete transactions. The funds would be used for the following initiatives:

#### **Proposition 19 Portal**

The passage of Proposition 19 in November 2020 created new requirements for filing documents, certifying values across counties, and reporting to the State. California Assessors have expended hundreds of hours developing procedures to efficiently process application for base year value transfers. As a result, we have concluded that we need a clearinghouse, or portal, that will provide easy access for taxpayers to obtain and file the required forms, easy access for Assessor staff to communicate with one another about information needed to process an application, and to develop reports for State Agencies such as the Board of Equalization and California Department of Tax and Fee Administration. The LAO estimated increased costs for counties by tens of millions of dollars per year in their analysis of the Proposition. This project attempts to streamline required activities and mitigate some of the costs.

#### **Exemptions E-filing**

Building on the success of the SDR/eSDR business property statement filing system, we would like to add the potential for on-line filing for exemptions. There are dozens of available exemptions and most require annual filing. Assessors expend valuable resources mailing out thousands of exemption forms annually.

This project would provide for online filing and reduce lost paperwork and expenses. Part of the project would include digital signatures.



## Non-Residential Sales Database

State Law currently allows assessors to share market data. Market data is critically needed when valuing complex, income-producing properties. A significant portion of the time spent on those assignments is used to gather data, quite often from other counties.

This project would create a statewide database of information needed to value complex, income-producing properties. It continues to build on the partnerships developed by county assessors and will improve efficiency on some of the most difficult valuation assignments.

## Megabyte Counties Unified Application and Database Framework

Thirty-six California Counties currently use the Megabyte Property Tax System. While most of the assessment work is handled within the existing modules that Megabyte has created, there continue to be needs that are not being met with the existing system. This has led most counties to rely on 'home-grown' applications or databases to capture that additional data and generate the necessary reports to meet both local and state mandated requirements.

We propose the creation and management of a unified application and database framework. This could best be accomplished by a JPA of the Megabyte County Assessors. The JPA would create an application whose database architecture can be structured in a way to easily scale up or down. Depending on their needs, this template could be easily altered and shared with the members of the JPA when new legislation is passed that would require a change to the application or database structure.

Creating this unified platform would greatly reduce the total number of dollars and staff hours being expended statewide on 'home grown' and often antiquated systems. This would also allow for a more uniform method of tracking and reporting on the data collected by staff.

## Automatic Enrollment of Certain Changes in Ownership

In keeping with the presumption contained in Title 18 of the California Code of Regulations, Rule 2, the sale prices of transfers are only rarely rebutted. In Los Angeles County, only 0.2% of residential properties (for which an appraisal was performed by an appraiser) have been rebutted since 2005.

With support from automated valuation models, a significant number of transfers can be reassessed with little or no human interaction (i.e., auto-enrolled). This project would use the latest in machine learning and GIS technology to build a statewide sale price validation application for single family residential (including condos) and smaller multi-family residential properties that can be used by all counties to automatically enroll those reassessable events. While some counties may already have transfer auto-enrollment applications in use, leveraging newer technologies will help improve these applications and expand their scope to multi-family residential properties.

### Summary

One-time funding is well suited for technological initiatives. The CAA envisions the bulk of the funding being used to improve systems that serve all or most of the 58 California Counties. If there are additional funds available, individual counties could compete for funding to help modernize their office, which may include scanning files or other activities that are technological in nature and are one-time expenses.

By their very nature, technology projects take time. This is a request for one-time funding that can be expended over two or three fiscal years to allow for development time. Solutions will be prioritized by CAA and its Shared Services JPA. It is expected that the county match will be covered by each county's ongoing expenses to maintain the system.

The California Assessors' Association respectfully requests funding for technology initiatives as follows:

Term: One Year [with the opportunity expend the funds over a 2-3 year period.  
Funding Amount: \$60 million  
County Match: Ongoing maintenance costs

## **EXHIBIT B**

### **DEVELOPMENT PROJECTS (OVERVIEW)**

#### **Project 1 – Proposition 19 portal**

- Initial Planning & Analysis
- Website Fundamentals – Design & Setup
- Website Database Basics
- Website Construction
- Website Intelligence – Business Rules & Logic
- Create Smart fillable PDFs
- Create Smart county header customization
- Quality review, testing and implementation

#### **Project 2 – Exemptions e-Forms**

- Planning, Analysis & Design
- Website online forms framework
- Website Database expansion to collect and distribute forms data
- Website forms construction
- Website adjustments
- HTML to PDF conversion engine
- Develop format for standard data record

#### **Project 3 – Non-Residential/Commercial Database**

#### **Project 4 – Megabyte Counties Unified Application**

#### **Project 5 – Automatic Enrollment**