

LIVINGSTON PARISH ASSESSOR



COMPLIANCE AUDIT  
ISSUED OCTOBER 7, 2009

**LEGISLATIVE AUDITOR  
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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

October 7, 2009

The Honorable Jeffrey G. Taylor  
Livingston Parish Assessor  
P.O. Box 307  
Livingston, LA 70754

Dear Mr. Taylor:

We have audited certain transactions of the Livingston Parish Assessor's Office for the period of January 1, 2004, to December 31, 2008. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain transactions.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required of an audit by *Government Auditing Standards*; therefore, we are not offering an opinion on the Livingston Parish Assessor's Office financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our audit are listed below for your consideration.

We examined 15 properties to determine if they were assessed in accordance with state law and Louisiana Tax Commission rules. Five of the 15 properties appeared to be in compliance with state law and regulations. The remaining 10 properties had a total of 16 possible violations of law or regulations as follows:

- One property was not reassessed in accordance with Louisiana Tax Commission rules<sup>1</sup> and Louisiana law.<sup>2</sup>
- Eight properties did not have documentation of the required 2008 reappraisal. Mr. Taylor stated that a reappraisal of the properties was performed in 2008, which showed the value of the properties did not change. However, Mr. Taylor further stated that he did not keep the 2008 reappraisal documentation. By not keeping the reappraisal documentation, Mr. Taylor may violate Louisiana law<sup>3</sup>

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<sup>1</sup>LA Tax Commission Rule 303(D) states that "the Louisiana Tax Commission has ordered all property to be reappraised for the 2008 tax year in all parishes."

<sup>2</sup>R.S. 47:2331 states that "all assessments of real property shall be based on a reassessment of all such real property, and such real property shall be reappraised at least every four years thereafter."

<sup>3</sup>R.S. 44:36 states that "in all instances in which a formal retention schedule has not been executed, such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made."

which requires public records be maintained for at least three years. During our audit, Mr. Taylor provided current documentation to prove the assessed value of the properties did not change.

- Three properties were reappraised; however, the changes in value were not reflected in the tax rolls.
- One property was assessed at timber use value, but there was no application or certification from the landowner in the file. Louisiana law<sup>4</sup> requires a landowner desiring a use value assessment to file an application and sign a use value form certifying that the property is eligible for the assessment.
- Three properties had improvements which were omitted from the tax roll even though the property owners applied for and received occupancy certificates, indicating the completion of the improvement. Louisiana law<sup>5</sup> requires that an improvement be assessed as of the condition on January 1 of each year. Therefore, an improvement completed during one year should be added to the tax roll on the following year.

Tax Commission rules<sup>6</sup> state that reappraisals performed more often than every four years shall not be applied on a parcel by parcel basis, but rather across the board in a given geographical area. Since Mr. Taylor stated that it is his policy to reassess all elected officials, Assessor's Office employees, and other government employees every two years, the Livingston Parish Assessor's Office may not be in compliance with this rule.

We recommend that the Livingston Parish Assessor's Office:

- (1) ensure that all real property was reappraised as of 2008 in accordance with Louisiana law and Tax Commission rules;
- (2) maintain documentation of reappraisals and use value assessments to demonstrate compliance with Louisiana law;
- (3) implement quality control procedures to ensure that all changes to the tax rolls are accurately updated;

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<sup>4</sup>**R.S. 47:2304** states that "a landowner, desiring a use value assessment under this Act shall be required to file an application with the assessor in the parish or district where the property is located certifying that the property is eligible for use value assessment as bona fide agricultural, horticultural, marsh or timber land as defined in Section 2 of Act R.S. 47:2302. . . . In addition to the filing of an application required in Section 4 (A), the landowner shall sign an agreement that the land will be devoted to one or more of the designated uses as defined in Section 2 of this act."

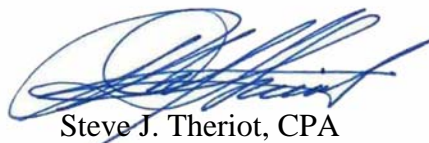
<sup>5</sup>**R.S. 47:1952** states that "all property subject to taxation . . . shall be placed upon the assessment lists in the respective parishes . . . Assessments shall be made on the basis of condition of things existing on the first day of January of each year."

<sup>6</sup>**LA Tax Commission Rule 303 (B)** states that "the assessor may reappraise property based on property transfers more often than every four years, if transfers indicate that property in all or a part of the assessing district, or within a certain classification, was appraised inaccurately or was not uniformly appraised during the prior reappraisal. However, the reappraisal shall not be applied on a parcel by parcel basis, but rather across the board in a given geographical area."

- (4) require all property owners with an existing use value assessment, who meet all eligibility requirements, to file the required application and use agreement in accordance with Louisiana law;
- (5) implement procedures to ensure that all permits for new construction are collected from all permit offices in Livingston Parish;
- (6) amend the applicable tax rolls and assess back taxes in accordance with Louisiana law<sup>7</sup> for all omitted or erroneously assessed property; and
- (7) ensure uniform assessment practices in compliance with Tax Commission rules.

This correspondence represents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of the Livingston Parish Assessor's Office. I trust this information will assist you in the efficient and effective operations of the Assessor's Office. Should you have any questions, please contact me at (225) 339-3839 or Mr. Dan Daigle, Director of Compliance Audit, at (225) 339-3808.

Sincerely,



Steve J. Theriot, CPA  
Legislative Auditor

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<sup>7</sup>**R.S 47:1966** states that "if any tract or lot of land or other property shall be omitted in the assessment of any year or series of years, or in any way erroneously assessed, it, when discovered, shall be assessed by the assessor or tax collector for the whole period during which the property may have been omitted or improperly assessed, and shall be subject to the state, parish, municipal, and levee taxes, which have been or may hereafter be assessed against the property in accordance with law. No back taxes for more than three years shall be assessed against omitted or improperly assessed property."



## Management's Response







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**JEFFREY G. TAYLOR**  
LIVINGSTON PARISH ASSESSOR

It is the pleasure of the Livingston Parish Assessor's Office to be afforded an opportunity to respond to a recent audit of the office by the Louisiana Legislative Auditor.

It is important to note that the audit was not based on a random selection of properties, but rather stemmed from a local property owner's appeal of the assessment of his home. The Livingston Parish Assessor's Office's assessment of the property owner was upheld by the Livingston Parish Council and the Louisiana Tax Commission. Most of the same properties cited in the report were presented by the local property owner to the Louisiana Tax Commission during his appeal hearing. The Assessor's Office's assessment procedures and practices were upheld by the Louisiana Tax Commission at that time.

Moreover, it is the intent of the Livingston Parish Assessor's Office to be transparent and accountable to the people of Livingston Parish. That is why Mr. Taylor has led the state effort to list parish property assessments on the Internet for public inspection. This effort has led to findings of inaccurate assessments that have been corrected. Additional improvements in assessment procedures and data management has also contributed to improving the accuracy of assessments in Livingston Parish. Moreover, the employees of the Livingston Parish Assessor's Office remain diligent in their efforts to do their job right – to discover, list and accurately assess properties in Livingston Parish for the benefit of the people of Livingston Parish.

For this reason, the Livingston Parish Assessor's Office was recently nominated by the International Association of Assessing Officers as an Office of Distinction. This award honors those offices that are most improved among their peers.

This report will cite some of the corrective action and upgrades that the Livingston Parish Assessor's Office has been praised for implementing by the International Association of Assessing Officers and several local media outlets. It is the intent of the Livingston Parish Assessor's Office to build upon these actions and continue its progress.

### **Response to Findings**

1. The property was added to the Livingston Parish tax rolls in 2005 and 2006. A Marshall & Swift calculation was applied to the property's value at those times. The assessed value, as determined by this standard formula, did not change for the 2008 reassessment, thus no change.
2. As stated in the last sentence of the citation on the eight properties, the Livingston Parish Assessor's office did provide documentation that proved the assessed value of the eight properties did not change. At no time did Mr. Taylor state that he did not keep the reappraisal documentation for these properties; rather, he noted that worksheets used during field appraisals were not kept as part of the official records because of storage limitations. The documentation in question was provided within 72 hours. The documents were not immediately available because some had been moved to the File Depot (located in Denham Springs) and others had been stored in extra filing cabinets. These documents are computer dated to verify their authenticity.
3. The three properties were reassessed and put into the computer. The computer dated printouts verified these changes had been made. However, the Livingston Parish Assessor's Office's computer system is more than 20 years old and errors occur with the frequent upgrades. A glitch in the software program referred to the original value of these properties when printing the 2008 roll. Three years ago, the Livingston Parish Assessor's Office implemented a payment program with the parish taxing districts to acquire the funds needed to purchase a new computer system. This system is expected to be installed and running by February 2010. This new system is intended to alleviate this problem, among others.
4. Timber classification forms have been sent to applicable assessments again. The Livingston Parish Assessor's Office will address concerns with this process with the Louisiana Tax Commission and the Louisiana Legislature.

5. Prior to 2007, Livingston Parish had no system in place where the Livingston Parish Council provided timely permit records of new properties to the Livingston Parish Assessor's Office. However, in 2007, Mr. Taylor negotiated an agreement to place an Assessor's Office employee in the Livingston Parish Permit Office to timely document all new permits in the parish. This effort has helped to correctly add properties to the tax rolls in Livingston Parish. Moreover, Mr. Taylor has led the state's efforts to list property assessments on the Internet for the public to see and report; thereby improving the accuracy of the tax rolls. The occupancy of the properties noted in the citation occurred prior to Mr. Taylor's corrective efforts in 2007.
6. Targeted reassessments of individuals are not practiced nor tolerated in the Livingston Parish Assessor's Office. However, it is the belief of Mr. Taylor that those government employees and elected officials who are responsible for setting the millage rates for the people of Livingston Parish should be accountable to the people they serve by ensuring their property assessments stay current and correct. The job of a Louisiana assessor is to discover, list and assess property at all times. Through periodic discovery, the Livingston Parish Assessor's Office has found properties to be incorrectly reported by property owners on their reporting forms. As these discoveries are made, the Livingston Parish Assessor's Office corrects the assessments. The Livingston Parish Assessor's Office will not refrain from implementing this corrective action for any individual, including a government employee or elected official.

### **Response to Recommendations**

1. The Louisiana Tax Commission reviewed and certified the 2008 tax roll for Livingston Parish, affirming it to be accurate and correct in accordance with Louisiana law and Louisiana Tax Commission rules and regulations.
2. The Livingston Parish Assessor's Office currently maintains all documentation of reappraisals. Some of these documents are stored off-site because of storage limitations within the Assessors' Office. However, worksheets used by field assessors are not kept because of storage constraints. The Livingston Parish Assessor's Office is currently implementing data programs to electronically record and store more information. As this process progresses, more documentation will be available to the public.

3. The current computer system in place at the Livingston Parish Assessor's Office is more than 20 years old. Mr. Taylor began a process three years ago to collect the \$400,000 needed to purchase a new, more efficient computer system. The funding needed for that system is now in place, and the Livingston Parish Assessor's Office anticipates having the new system installed and running by February 2010. This new system is intended to alleviate the problem noted in the citation, among others.
4. The Livingston Parish Assessor's Office distributes forms each year to applicable property owners. However, according to Louisiana law, the property owners have until December 31 of each year to sign and return the forms. This extended deadline creates a problem for maintaining accurate records and for establishing accurate budget projections for taxing districts. The Livingston Parish Assessor's Office intends to address this matter with the Louisiana Tax Commission and Louisiana Legislature.
5. Mr. Taylor negotiated an agreement in 2007 with the Livingston Parish Council to place an Assessor's Office employee in the Livingston Parish Permit Office to timely document all new permits in the parish. This effort has helped to correctly add properties to the tax rolls in Livingston Parish. However, it must be noted that this corrective action is dependent upon the continued cooperation of the Livingston Parish Council and its administration.
6. There has been much dispute among Louisiana assessors as to how to implement R.S. 47:1966 in order to be fair and equitable. This recommendation will be presented to the Louisiana Tax Commission.
7. The Livingston Parish Assessor's Office will continue to follow the laws of the State of Louisiana and the rules and regulations of the Louisiana Tax Commission in its efforts to fairly and equitably assess property values in Livingston Parish for the benefit of its citizens.

Please contact the Livingston Parish Assessor's Office at 225-686-7278 with any further questions or comments.