Property Valuation System (PVS)

Joint Committee on Information Management and Technology

February 26, 2016

OREGON
DEPARTMENT
OF REVENUE

Background

- The Valuation Section is required by statute to appraise industrial and centrally assessed properties for all Oregon counties.

- This work generates approximately $50 billion in real market value (RMV) and $600 million each year in tax revenue that funds education, public safety, local government, etc.

- We requested funding to replace an antiquated computer system and many manual processes.

- Bond financing for the project was approved during the 2015 Session.

OREGON
DEPARTMENT
OF REVENUE

Project Overview

A commercial off-the-shelf solution (COTS) is the most viable and will:

- Integrate our appraisal functions into one system.

- Allow for electronic communication with taxpayers and counties.

- Provide data analytic capabilities.

- Reduce reliance on paper documents and manual data entry.

- Provide a stable, long-term information technology platform for the department's valuation functions.
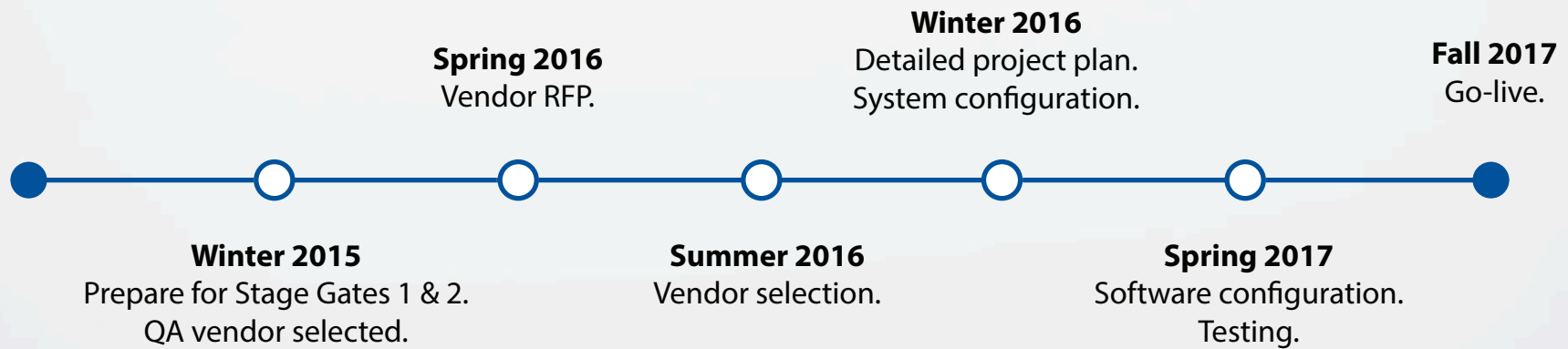
OREGON
DEPARTMENT
OF REVENUE

Project Scope

- Find a solution that integrates both industrial and centrally assessed appraisal functions into one system.
    - Computer-assisted mass appraisal (CAMA) software is currently used by most taxing authorities across the country.

- Consolidate appeal and communications functions into one system.

- Allow for electronic filing of returns and electronic submission of values to county assessors.

OREGON
DEPARTMENT
OF REVENUE

Schedule

Spring 2016
Vendor RFP.

Winter 2016
Detailed project plan.
System configuration.

Fall 2017
Go-live.

Winter 2015
Prepare for Stage Gates 1 & 2.
QA vendor selected.

Summer 2016
Vendor selection.

Spring 2017
Software configuration.
Testing.

OREGON
DEPARTMENT
OF REVENUE

Budget

Item	Cost	Anticipated increase	Total
IT software and implementation	$1,500,000	$600,000	$2,100,000
Quality Assurance	$150,000	$250,000	$400,000
Staff (project manager*)	$175,260	$225,000	$400,260
IT hardware	$54,740	—	$54,740
Contingency	—	$425,000	$425,000
Total 2015-17 approved bond financing	**$1,880,000**	**$1,500,000**	**$3,380,000**

Note: Funding was approved to hire a limited duration Project Manager. This is now being contracted out with a vendor.

OREGON DEPARTMENT OF REVENUE

Anticipated cost increases

- Even a COTS CAMA solution will require some customization.
    - Oregon has some unique requirements (such as Measure 50) that vendors will need to address.
- Quality Assurance—additional requirements due to Stage Gate process adds workload and increases the cost.
- Project Manager—contracting with a vendor will result in costs exceeding the amount in the original funding.
- Contingency—standard in budget for similar projects.

OREGON
DEPARTMENT
OF REVENUE

Current status

- Staffing
    - Project director—Revenue staff.
    - IT business analyst—Revenue staff.
    - Project manager—Third-party.
    - QA—Third-party.

- Stage Gate
    - Stage Gate 1—Approved February 17, 2016.
    - Stage Gate 2—Anticipate March approval.

OREGON
DEPARTMENT
OF REVENUE

Questions?

If you have additional questions after today please contact:

Bronson Rueda
Valuation section manager
bronson.rueda@oregon.gov
503-302-0984

OREGON
DEPARTMENT
OF REVENUE