



LINCOLN INSTITUTE
OF LAND POLICY

Improving the Property Tax by expanding options for Monthly Payments

Municipal Fiscal Health Webinar Series
February 1st, 2018

Webinar Moderator

Improving the Property Tax by expanding options for monthly payments



Luis Quintanilla

Junior Fellow

Lincoln Institute of Land Policy

Cambridge, MA

ltamez@lincolninst.edu

Municipal Fiscal Health Campaign

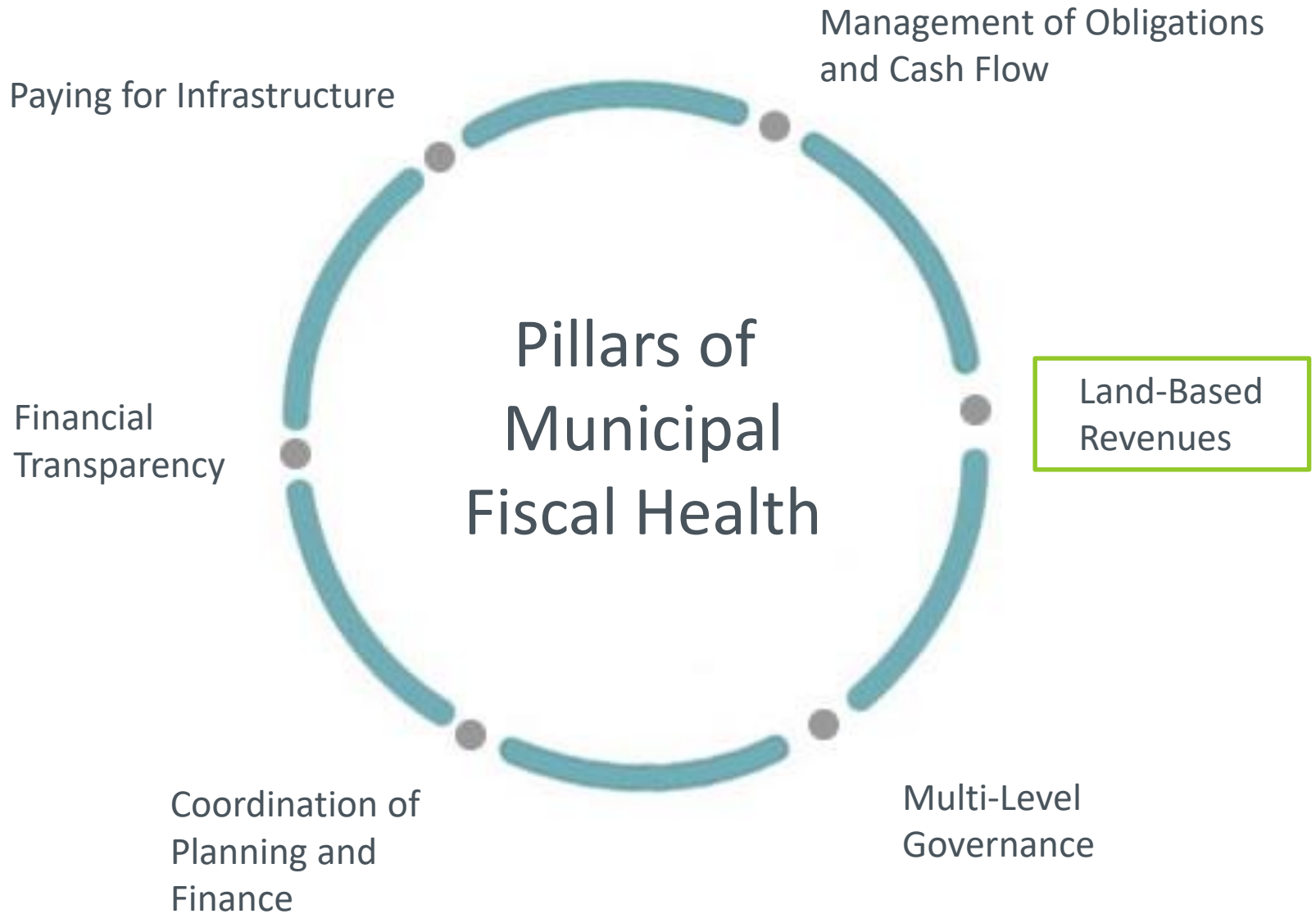
Learn more at: www.lincolninst.edu/key-issues



MUNICIPAL FISCAL HEALTH

[Key Issues](#) [Publications](#) [Research & Data](#) [Courses & Events](#) [News](#) [About](#)

The quality of life for billions of people rests on the ability of local governments to deliver public services and invest for the future.



Webinar Speakers

Improving the Property Tax by expanding options for monthly payments



Adam Langley

Senior Research Analyst

Lincoln Institute of Land Policy
Cambridge, MA

alangley@lincolninst.edu



Cindy Land

Administrative Deputy

Marion County Treasurer's Office
Indianapolis, IN

cindy.land@indy.gov



Jim Klajbor

Deputy City Treasurer

City of Milwaukee Treasurer's Office
Milwaukee, WI

jklajb@milwaukee.gov



Vincent Reitano

Public Finance Associate

GFOA
Chicago, IL

vreitano@gfoa.org



LINCOLN INSTITUTE
OF LAND POLICY

Presentations



LINCOLN INSTITUTE
OF LAND POLICY

Improving the Property Tax by Expanding Options for Monthly Payments

Adam H. Langley

Senior Research Analyst, Lincoln Institute of Land Policy

Feb. 1, 2018: Lincoln Institute of Land Policy, Municipal Fiscal Health Webinar Series

Full Report Available:

<http://www.lincolninst.edu/publications/working-papers/improving-property-tax-expanding-options-monthly-payments>

% Homeowners Who Pay Property Tax with Monthly Mortgage Payment

44%	Have Property Tax Escrow <i>Pay property tax as part of mortgage bill</i>
56%	No Property Tax Escrow
20%	<i>Have mortgage, but no property tax escrow</i>
36%	<i>Do not have a mortgage</i>

Source: American Community Survey (2015).

% Homeowners Who Pay Property Tax with Monthly Mortgage Payment

Under 65	65+	All Ages	
55%	20%	44%	Have Property Tax Escrow <i>Pay property tax as part of mortgage bill</i>
45%	80%	56%	No Property Tax Escrow
20%	16%	20%	<i>Have mortgage, but no property tax escrow</i>
25%	63%	36%	<i>Do not have a mortgage</i>

Source: American Community Survey (2015).

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- **46%** of Americans couldn't come up with **\$400** in emergency (Federal Reserve survey)

\$400



Source: Federal Reserve *Report on the Economic Well-Being of U.S. Households in 2016*.

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- **46%** of Americans couldn't come up with **\$400** in emergency (Federal Reserve survey)

\$400



Median Property Tax Bill = **\$2,340**



Source: Federal Reserve *Report on the Economic Well-Being of U.S. Households in 2016*; 2016 American Community Survey (U.S. Census Bureau).

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- **46%** of Americans couldn't come up with **\$400** in emergency (Federal Reserve survey)

\$400



Median Property Tax Bill = **\$2,340**



Monthly Bill = **\$195**



Source: Federal Reserve *Report on the Economic Well-Being of U.S. Households in 2016*; 2016 American Community Survey (U.S. Census Bureau).

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- **Creates financial challenges for some homeowners**

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- Creates financial challenges for some homeowners
- **Increases property tax delinquency**
 - Study of WI municipalities: Increasing # installments from 2 to 3 reduced delinquency by $\approx 1/3$ (Waldhart and Reschovsky 2014)

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- Creates financial challenges for some homeowners
- Increases property tax delinquency
 - Study of WI municipalities: Increasing # installments from 2 to 3 reduced delinquency by $\approx 1/3$ (Waldhart and Reschovsky 2014)
- **Fosters political opposition to property tax and erodes municipal fiscal health**
 - Paying in large lump sums makes property tax very **salient tax**
 - Political opposition to property tax ↑ Tax limits and other policies to reduce property taxes ↑ (Cabral and Hoxby 2012)

Problems Caused by Billing Property Taxes on Annual/Biannual Basis

- **Creates financial challenges for some homeowners**
- **Increases property tax delinquency**
 - Study of WI municipalities: Increasing # installments from 2 to 3 reduced delinquency by $\approx 1/3$ (Waldhart and Reschovsky 2014)
- **Fosters political opposition to property tax and erodes municipal fiscal health**
 - Paying in large lump sums makes property tax very **salient tax**
 - Political opposition to property tax ↑ Tax limits and other policies to reduce property taxes ↑ (Cabral and Hoxby 2012)
- **Irregular revenue inflows for local governments**

Solution: Monthly Property Tax Payments

	Prepayment Programs	Monthly Installments
Where?	Allowed in 16+ states -Large counties in Ohio -56 counties in Iowa -Marion County (IN)	Milwaukee (WI)

Solution: Monthly Property Tax Payments

	Prepayment Programs	Monthly Installments
Where?	Allowed in 16+ states -Large counties in Ohio -56 counties in Iowa -Marion County (IN)	Milwaukee (WI)
Local Option?	Yes	Yes
Payment Options	-Automated monthly payments via ACH or EFT -Mail check each month -Credit/debit cards (High transaction costs)	

Solution: Monthly Property Tax Payments

	Prepayment Programs	Monthly Installments
Where?	Allowed in 16+ states -Large counties in Ohio -56 counties in Iowa -Marion County (IN)	Milwaukee (WI)
Local Option?	Yes	Yes
Payment Options	-Automated monthly payments via ACH or EFT -Mail check each month -Credit/debit cards (High transaction costs)	
Application?	Yes	No
\$ Held in Escrow?	Yes	No
Participation Rates	Low (Under 5%)	High (\approx 20%)

Recap

Current Situation: 1/2 homeowners pay property tax in 1-2 large lump sums each year

Problem: Billing taxes on annual/biannual basis...

- Creates financial challenges for some households
- Increases property tax delinquency rate
- Fosters political opposition to property tax & erodes fiscal health
- Requires local gov'ts to deal with irregular revenue inflows

Solution: Allow monthly property tax payments

- Prepayment programs (Allowed in 16+ states; Marion County)
- Monthly property tax installments (Milwaukee, WI)



LINCOLN INSTITUTE
OF LAND POLICY



Marion County Monthly Property Tax Payments

February 1, 2018

Cindy Land

Marion County

- Is located in Indiana and is the home of the City of Indianapolis.
- Treasurer is responsible for billing, collecting, investing and distributing property taxes.
- 380,000 property tax bills are mailed annually in April with amounts due May 10th and November 10th.
- A second mailing occurs in the fall only for adjustments to the bill, delinquencies or ownership changes.



Marion County's Flex Pay

- Flex pay is a monthly pre-payment plan designed to deduct 6 monthly payments from a checking or savings account.
 - May 10th due date: payments would begin as early as December
 - November 10th due date: payments would begin as early as June
- Annual tax bills are calculated by March and mailed in April. Therefore, we use the prior year values in estimating pre-payment of the Spring bill.
- Prior to the final payment due May 10th, the account is reconciled and the final two payments adjusted accordingly.



Sample Preliminary Invoice

Marion County Treasurer
200 East Washington St. Rm. 1001
Indianapolis, IN 46204-3318

Estimated Property Tax Amount
(317) 327-4444

TO
NEW, BILL G & JACKIE J
1930 KILDARE AVE
INDIANAPOLIS, IN 46218-4639

This is an estimated property tax calculation, not the actual tax liability, until the final property tax liabilities are determined. This estimate is being calculated using the prior tax cycle's taxes and fees divided by the number of payments remaining before the due date. Actual tax liabilities are usually determined in March and amounts could then increase or decrease from the estimated amount. In addition, there could be other adjustments due to appeals or deductions. Any over/under payments will be due by the due date. **Every tax season (spring and fall) after the last scheduled payment due date, you will need to schedule your monthly due dates for the next tax season.**

Parcel Information	
Parcel #	1069059
Address	1930 KILDARE AV

2017 pay 2018 Property Tax Estimates	AMOUNT
17 pay 18 Estimated Semi-Annual Tax:	
Estimated tax amount	\$332.43
Estimated solid waste fees	16.00
Estimated storm water fees	28.80
TOTAL ESTIMATED TAXES	\$ 377.23

Sign up for Flex Pay and schedule 6 payments for only \$62.87 per month.



- This is estimated, not the true tax liability. The final payment will be adjusted based on actual liabilities. Any additional questions, please call (317) 327- 4444


Marion County's Flex Pay

- Taxpayer designates each spring or fall cycle the day of each month to deduct from their account.
- Although Flex Pay was designed for 6 monthly payments; it is flexible to the taxpayer's needs and can be bi-weekly or monthly from 2-6 months.
- Fee is \$0.25 per deductions of 6 or more.
- Fee is \$0.95 per deductions of less than 6.
- As a reminder, email notifications are sent prior to each deduction.



Steps to sign up for flex payments

Last 12 Months \$1000.01 +



Select	Invoice	Invoice Date	Balance Due	
<input checked="" type="checkbox"/>	Due in 101 days Account #1069059 Real Estate Taxes	12/1/2017	\$377.23	View Invoice Payment History Adjustment History Scheduled Payment History Refresh History
<input type="checkbox"/>	Due in 101 days Account #7030631 Real Estate Taxes	12/1/2017	\$818.67	View Invoice Payment History Adjustment History Scheduled Payment History Refresh History
<input type="checkbox"/>	Due in 101 days Account #7031499 Real Estate Taxes	12/1/2017	\$246.58	View Invoice Payment History Adjustment History Scheduled Payment History Refresh History

[Pay Selected >](#)



Setting up flex payments via Invoice Cloud

When would you like to pay?

Pay with FlexPay

Would you like to split out your payments to suit your needs? You may pay this Invoice with FlexPay and choose a flexible schedule that will make you happy.

Pay Today ★

You may make a One Time Payment that will process Today. Payments are real-time and will be applied to your Invoice instantly.

Schedule a Payment

You may schedule a One Time Payment for a date in the future, beginning as soon as tomorrow. Please select a date below to get started.

[Proceed to Checkout](#) >



Payment Options

Payment Options

Payment Information

Review Payment

How would you like to pay?

Chase Checking Account Ending ▾

Continue to Payment Information >

Payment Summary

Invoice #	Amount
Prelim-2017-RE-1069059-0 - View	\$377.23
SUBTOTAL	\$377.23
GRAND TOTAL	\$377.23

Cancel Payment

Any applicable service fees and/or discounts will be displayed before processing your payment



Scheduling Payments

Payment Options

Payment Information

Review Payment

Schedule your FlexPay payments

When would you like your **First Payment** to process?

01/30/2018



When would you like your **Last Payment** to process?

05/09/2018



How many payments would you like to make?

6

 Create Schedule

Payment Summary

Invoice #	Amount
Prelim-2017-RE-1069059-0 - View	\$377.23
<hr/>	
SUBTOTAL	\$377.23
<hr/>	
GRAND TOTAL	\$377.23

Cancel Payment

Any applicable service fees and/or discounts will be displayed before processing your payment



Confirming Schedule

1

Payment Date

01/31/2018



Invoice	Payment Amount	Service Fee	Total
Prelim-2017-RE-1089059-0	\$ 62.87	\$0.25	\$63.12

2

Payment Date

02/20/2018



Invoice	Payment Amount	Service Fee	Total
Prelim-2017-RE-1089059-0	\$ 62.87	\$0.25	\$63.12

3

Payment Date

03/12/2018



Invoice	Payment Amount	Service Fee	Total
Prelim-2017-RE-1089059-0	\$ 62.87	\$0.25	\$63.12

4

Payment Date

04/01/2018



Invoice	Payment Amount	Service Fee	Total
Prelim-2017-RE-1089059-0	\$ 62.87	\$0.25	\$63.12

5

Payment Date

04/21/2018



Invoice	Payment Amount	Service Fee	Total
Prelim-2017-RE-1089059-0	\$ 62.87	\$0.25	\$63.12

6

Payment Date

05/09/2018



Invoice	Payment Amount	Service Fee	Total
Prelim-2017-RE-1089059-0	\$ 62.88	\$0.25	\$63.13

(update amounts)

Continue to Review Payment >




Finalizing Payments

Payment Options

Payment Information

Review Payment

Review your Information


Your Bank  [Edit](#)


NEW, BILL G & JACKIE J
Chase
074000010 / XXXXX5078
Personal Checking



Billing Address

1930 KILDARE AVE
INDIANAPOLIS, IN
46218-4639
michelle.new@indy.gov

 Send me Pay by Text messages for future invoices

 I would like to sign up for Paperless

Payment Summary

Invoice #	Amount
Prelim-2017-RE-1069059-0 - View	\$377.23
SUBTOTAL	\$377.23
SERVICE FEE *	+ \$1.50
GRAND TOTAL	\$378.73

[Schedule Payments \\$378.73](#)

[Cancel Payment](#)

Payer agrees to the [Invoice Cloud Payer Terms and Conditions](#)

* If you have a question on the bill, please contact us at (317)



Confirmation Email



MARION COUNTY & INDIANAPOLIS

Dear NEW, BILL G & JACKIE J

Details

Congratulations, your Flex-Pay payments to Marion County have been successfully scheduled. You have authorized payments (amounts and dates shown below) to be processed and applied to your parcel 1069059.

Parcel Number:

1069059

No further action is required on your part regarding these payments. This is a Flex-Pay schedule to have all your payments processed automatically on the dates you choose. Please note the last payment made in a flex payment schedule will reconcile any adjustments for the final payment.

You may cancel this Flex-Pay schedule at any time during the payment period, however only future payments will be cancelled. For example, if you have scheduled 3 installments and after the first payment has been processed, you decide to cancel the schedule, only payments 2 & 3 will be affected. At that point, you can create a new Flex-Pay schedule for the remaining amount due.

Please note it is 25 cents a payment if you schedule 5 payments, if your schedule is less than 5 payments the cost is 95 cents per payment.

To review this tax statement, cancel the Flex-Pay schedule below, or sign up for e-billing, please log on to the Customer Portal at <https://www.invoicedcloud.com/indy>

If you have any questions regarding your account, please call our customer service at 317-327-4444 or email us at treasurer@indy.gov and include your account number / parcel number, first name and last name on the account.

Thank you,
Marion County

Date	Invoice #	Payment Amount	Service Fee	Total Payment
1/30/2018	Prelim-2017-RE-1069059-0	\$82.87	\$0.25	\$83.12
2/28/2018	Prelim-2017-RE-1069059-0	\$82.87	\$0.25	\$83.12
3/30/2018	Prelim-2017-RE-1069059-0	\$82.87	\$0.25	\$83.12
	Prelim-2017-RE-1069059-0	\$82.87	\$0.25	\$83.12
4/30/2018	Prelim-2017-RE-1069059-0	\$82.87	\$0.25	\$83.12
5/9/2018	Prelim-2017-RE-1069059-0	\$82.88	\$0.25	\$83.13
		\$377.23	\$1.50	\$378.73



Marion County's Flex Pay

Benefits for the taxpayer:

- Flex pay ensures that taxes are paid on time every May 10th and November 10th.
- Taxpayers can spread payments of property taxes over 12 months rather than 2 large payments per year.



Marion County's Flex Pay

Benefits for the County:

- Property taxes are the largest source of revenue and the flex pay plan increases cash flow throughout the year that otherwise would be limited to the spring and fall due dates.
- Increased cash flow is made available for advances to the units prior to settlement.
- Increase in interest earnings.



Marion County's Flex Pay

- Currently: 592 participants in the program
- Collected in Tax Cycle 2017
 - 13,223 payments totaling \$7,917,897
 - almost 1% of our tax collections





LINCOLN INSTITUTE
OF LAND POLICY



Property Tax Installment Plan

Presented by Jim Klajbor, Deputy City Treasurer

City of Milwaukee Property Tax Installment Plan

- Section 74.87 of the Wisconsin State Statutes authorizes the Milwaukee Common Council to permit City property taxes to be paid in ten installments without interest and County taxes to be paid in seven installments without interest.
- Special assessments and charges, with the exception of Business Improvement District (BID) and Neighborhood Improvement District (NID) assessments, added to the City tax roll can also be paid in ten installments without interest.
- To exercise the option to pay one's property taxes on the installment plan, one needs to pay the first installment on or before January 31st. No application form is required.

City of Milwaukee Property Tax Installment Plan

- City property taxes include three taxing jurisdictions:
 - Milwaukee Area Technical College (MATC)
 - Milwaukee Public Schools (MPS)
 - City of Milwaukee
- County property taxes include two taxing jurisdictions:
 - Milwaukee Metropolitan Sewerage District (MMSD)
 - Milwaukee County
- “Specials” Added to the 2016 Tax Roll:
 - 6,133 Special Assessments for \$700,093
 - 125,168 Special Charges for \$54,268,112

City of Milwaukee Property Tax Installment Plan

At the Close of the 2016 Tax Levy Current Tax Collection Period:

• Accounts Paid in Full	116,207	72%
• Accounts on the Ten Month Installment Plan	33,753	21%
• Delinquent Tax Accounts	12,075	7%
• Total Billed Accounts	162,035	100%

Property Tax Payment Options:

- By Mail to the US Bank Lock Box
- Pay in Person at One of Twelve US Bank Branches with the City of Milwaukee
- Enroll in the Automated ACH Debit Installment Plan
- Place in the Drop Box at City Hall – Available 24 / 7 / 365
- Pay in Person at City Hall during Normal Business Hours
- Beginning in 2017, Pay On-line by ACH Debit or by Debit or Credit Card

City of Milwaukee Property Tax Installment Plan

Each Combined Property Tax Bill Displays the Ten Month Installment Payments that Would be Due:

Class	Assessment-Land	Assmt.-Improvements	Total Assessment	Detail of Special Assessments and Other Charges	
RESIDENTIAL	3,300	29,300	32,600	DELINQUENT MUNICIPAL SERVICES	356.11
				DELINQUENT STORM WATER ACCOUNT	1,091.29
Avg. Assmt. Ratio	Est. Fair Mkt.-Land	Est. Fair Mkt.-Improvements	Total Est .Fair Market	DELINQUENT WATER ACCOUNT	1,540.32
1.0020	3,293	29,242	32,535	TOTAL OTHER SPECIAL	1,329.22
				TOTAL	4,316.94
School taxes reduced by school levy tax credit			71.30		

Tax Levy	2016 Est. State Aids	2017 Est. State Aids	2016 Net Tax	2017 Net Tax	% Change
State of Wis.			5.71	0.00	-100.000
Sewerage Dist.			58.88	56.19	-4.569
Public Schools	657,094,027	677,761,617	232.85	277.79	+19.300
Tech. College	26,715,172	26,259,259	42.36	40.94	-3.352
County Govt.	24,586,167	24,344,917	171.39	164.51	-4.014
City Govt.	251,912,166	254,421,489	415.95	350.66	-15.697
Total	960,307,532	982,787,282	927.14	890.09	-3.996
First Dollar Credit			-75.59	-74.13	-1.931
Lottery and Gaming Credit			-142.16	0.00	-100.000
Net Property Tax			709.39	815.96	+15.023
Special Assessments and Charges				4,316.94	

WARNING: If the first installment payment is not paid by the due date, the installment option is lost. The total tax becomes delinquent and is subject to interest and penalty charges. See reverse side for details.

Monthly Installment Payment Due: February through July 2018	522.00	Net Assessed Value Rate Before Credits	TOTAL DUE ▶ 5,132.90 ◀			
Monthly Installment Payment Due: August, September, and October 2018	492.90		<table border="1"> <tr> <td>FULL PAYMENT DUE ON OR BEFORE 01/31/2018</td> <td>5,132.90</td> </tr> <tr> <td>FIRST INSTALLMENT PAYMENT DUE ON OR BEFORE 01/31/2018</td> <td>522.20</td> </tr> </table>	FULL PAYMENT DUE ON OR BEFORE 01/31/2018	5,132.90	FIRST INSTALLMENT PAYMENT DUE ON OR BEFORE 01/31/2018
FULL PAYMENT DUE ON OR BEFORE 01/31/2018	5,132.90					
FIRST INSTALLMENT PAYMENT DUE ON OR BEFORE 01/31/2018	522.20					

City of Milwaukee Property Tax Installment Plan

Each Return Remittance Coupon Displays the Full Payment Due as well as the Installment Payment Due:

2017 CITY OF MILWAUKEE COMBINED PROPERTY TAX PAYMENT COUPON

ACCOUNT TYPE: REAL ESTATE
LOCATION OF PROPERTY: 3565 N 14TH ST

TAX KEY / ACCOUNT NO. 2710766000

BILL # 00048714

CHECK FOR ADDRESS CHANGE
(COMPLETE REVERSE SIDE)

PAID UNDER PROTEST

Make Check Payable to:

CITY OF MILWAUKEE
OFFICE OF THE CITY TREASURER
PO BOX 78776
MILWAUKEE, WI 53278-0776

**FULL PAYMENT DUE
ON OR BEFORE 01/31/2018 5,132.90**

**FIRST INSTALLMENT PAYMENT
DUE ON OR BEFORE 01/31/2018 522.20**

PLEASE WRITE IN AMOUNT ENCLOSED

\$

CHRISTINA PITTS
KLACEE SM PITTS
5220 N 69TH ST
MILWAUKEE, WI 53218

PRIOR TAXES ARE DELINQUENT

2082017200048714000000522201000000000000

City of Milwaukee Property Tax Installment Plan

- “First Time” Delinquent:
The first time a taxpayer misses or pays short a monthly installment, the tax account is considered “first time” delinquent. The taxpayer can be reinstated on to the installment plan by paying the missed or short amount with one-percent interest along with the next month’s installment due.
- “Permanent” Delinquent:
The second time a taxpayer misses or pays short an installment, the tax account is considered “permanent” delinquent and interest and penalty accrue on the remaining tax principal balance back to February 1st. Interest accrues at the rate of one percent per month. Penalty accrues at the rate on one-half percent per month.



LINCOLN INSTITUTE
OF LAND POLICY



LINCOLN INSTITUTE
OF LAND POLICY

Investing in Collections Software to allow for Monthly Property Tax Payments

Vincent Reitano
Government Finance Officers Association

The Property Tax

- Local governments depend on property taxes
- Two features of the property tax make it one of the most unpopular taxes
 - Visibility
 - Lump sum payment
- Lack of behavioral incentives to pay property taxes

Literature Review

- Waldhart and Reschovsky (2012) use an econometric model to test the relationship between higher frequency property tax payments and delinquency rates
- Panel of local governments in Wisconsin and random effects approach
- Two key findings (p. 316):
 - “Increasing the number of installment payments from two to three per year reduces the delinquency rate by about one third”
 - “Allowing more than three installment payments, however, does not lead to a statistically significant reduction in the property tax delinquency rate.”

Property Tax Installment Plans

- Local governments around the US and Canada offer property tax installment plans
- Characteristics of installment plans
 - Eligibility
 - Installment Frequency
 - Autonomy
- Examples include:
 - Toronto and Calgary offer two, six, or eleven month pre-authorized payment plans
 - Philadelphia has electronic monthly installments for residents over 65 years of age
 - Bexar County, TX allows for installments for residents over 65 years of age, disabled individuals, and veterans

GFOA Survey: Software Vendors

- 398 randomly sampled local governments around the US
- About half of mid and large-sized local governments use homegrown solution rather than vendor
- Still a sizeable portion use Thomson Reuters and Tyler Technologies

Factors in System Replacement

- Cost and time of implementation for property tax system replacement depend on a variety of factors
- These factors include:
 - Size of government
 - Homegrown vs. system upgrade vs. system replacement
 - Change management

Factors in System Replacement, Cont.

- How will a change to property tax collection systems affect other tax related functions and systems?
- How will a change to property tax collection systems affect non-tax functions and computer systems related to financial management and performance management?
- Will there be increased administrative costs with monthly tax installments? For example, will additional administrative staff be needed to process tax collections?

Making the Switch to Installment Payments

- **Homegrown → Homegrown Upgrade**
 - Do internal IT, budget, and finance staff have the capacity to make the switch?
 - Is there cost-benefit analysis underlying the decision to keep a homegrown system?
- **Homegrown → Vendor System**
 - Research shows that vendor systems generally have greater security and stability
 - Is the organization ready for implementation with change management?

High and Low Cost Estimates

Table 3

Estimated Costs - Small Government		
Category	Low Estimate	High Estimate
Property Tax Software	\$25,000	\$150,000
Project Costs (Implementation)	\$200,000	\$400,000
Total Project Costs	\$225,000	\$650,000

Table 4

Estimated Costs - Large Government		
Category	Low Estimate	High Estimate
Property Tax Software Module	\$750,000	\$3,000,000
Project Costs (Implementation)	\$2,500,000	\$6,000,000
Total Project Costs	\$3,250,000	\$9,000,000

Steps in the Process

- Request for Information (RFI) to see vendor offerings in relation to needs
- Request for Proposal (RFP) to start formal public procurement process
 - Vendors response to RFP
 - Evaluate vendor response and select vendors to interview/demonstrate their products
 - Evaluate different vendors according to public procurement rules
 - Business Process Analysis
 - Implementation
 - Go-Live

Questions to Consider when Making the Switch

- **Institutional context** – is a local government allowed to offer property tax installment plans?
- **Local Context** – how will citizens react to property tax installment plans? Will their behavior change?
- **System Configuration** – is there a plan in place for implementation?
- **Long-Term Support** – will the software provider support the product?

Benefits from Monthly Installment Payments

- Increased adoption of installment payments associated with decreased delinquency rate
- Stability of revenue collection
- Better alignment of personal budgeting behavior of citizens and local government budgeting
- Trust between government and citizens
 - Kootenai County, ID: Part of plan is to “provide helpful services to our residents.”
 - Kalamazoo, MI



LINCOLN INSTITUTE
OF LAND POLICY



**LINCOLN INSTITUTE
OF LAND POLICY**

Discussion Questions

Webinar Speakers

Improving the Property Tax by expanding options for monthly payments



Adam Langley

Senior Research Analyst

Lincoln Institute of Land Policy
Cambridge, MA

alangley@lincolninst.edu



Cindy Land

Administrative Deputy

Marion County Treasurer's Office
Indianapolis, IN

cindy.land@indy.gov



Jim Klajbor

Deputy City Treasurer

City of Milwaukee Treasurer's Office
Milwaukee, WI

jklajb@milwaukee.gov



Vincent Reitano

Public Finance Associate

GFOA
Chicago, IL

vreitano@gfoa.org



**LINCOLN INSTITUTE
OF LAND POLICY**

Resources

Publications and Resources: Working Papers

<http://www.lincolninst.edu/publications>



Improving the Property Tax by Expanding Options for Monthly Payments

Working Paper WP18AL1

Adam H. Langley
Lincoln Institute of Land Policy

January 2018

The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the Lincoln Institute of Land Policy. Contact the Lincoln Institute with questions or requests for permission to reprint this paper.
help@lincolninst.edu

© 2018 Lincoln Institute of Land Policy



Investing in Collections Software to Allow for Monthly Property Tax Payments

Working Paper WP17VR1

Vincent Reitano, Ph.D.
Government Finance Officers Association

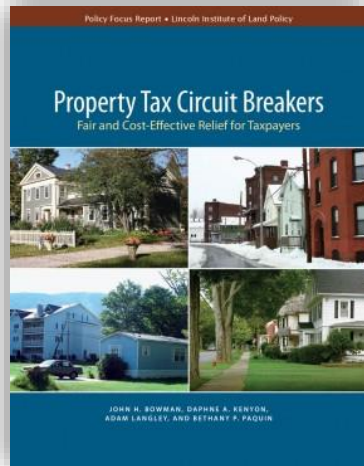
October 2017

The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the Lincoln Institute of Land Policy. Contact the Lincoln Institute with questions or requests for permission to reprint this paper.
help@lincolninst.edu

© 2017 Lincoln Institute of Land Policy

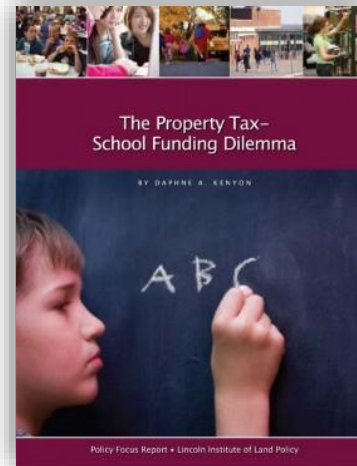
Publications and Resources: Books and Magazines

<http://www.lincolninst.edu/publications>



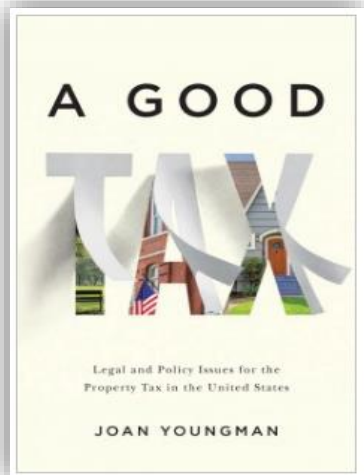
Property Tax Circuit Breakers

John H. Bowman,
Daphne A. Kenyon,
Adam Langley,
and Bethany P. Paquin



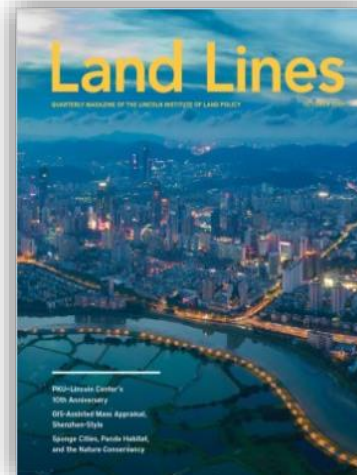
The Property Tax- School Funding Dilemma

Daphne A. Kenyon



A Good Tax

Joan Youngman



Land Lines

Lincoln Institute
Quarterly Magazine

Thank you

LUIS QUINTANILLA
INTERNATIONAL AND INSTITUTE-WIDE INITIATIVES
LINCOLN INSTITUTE OF LAND POLICY
LTAMEZ@LINCOLNINST.EDU



113 BRATTLE STREET CAMBRIDGE, MA 02138 @LANDPOLICY LINCOLNINST.EDU