

Forbes Article



County Leaders Can Unlock a New Tier of Citizen Service by Modernizing the Exemption Application Process

You can get a pre-approved ~~for a valuable~~ home loan in *only* 15 minutes. Shouldn't you be able to get pre-approved for a homeowner's exemption just as *quickly* ~~easy~~?

Moving into a new home ~~is can be~~ an exciting time for ~~people~~ *citizens*. Meeting the neighbors, ~~making the home their own through interior design, posting photos on social media declaring themselves homeowners, checking out the local cuisines~~ *restaurants*, and starting to build equity.

Unfortunately, ~~the process of purchasing and moving into a home~~ *it costs a significant amount of* ~~can also cost~~ time and money, and navigating opaque local government processes, like applying for a homestead exemption, ~~can be a labyrinthine process~~.

The latter *challenge* represents one of the first interactions a citizen has with ~~its~~ local government. ~~More often than not, and one~~ that is not likely to be an experience new homeowners will remember fondly. ~~It's likely to leave a bad taste in their mouth.~~

On the other side of the equation, ~~county~~ *County* governments don't have it any easier. ~~They must have to~~ staff their offices for an entire calendar year of activities *such as* (appraisals, appeals, tax bills, tax roll certification, etc.)

~~They also are tasked with handling~~ *AND* ~~the~~ *enormous* deluge of exemption applications that have to be approved within a set period of time, usually around the beginning of the year. This task often requires an all-hands-on-deck approach to cross-check thousands of new exemption applications with the nuanced qualification criteria of each exemption type.

So much work goes into the process of managing each closed home sale on the county side that government officials may not have time at the end of all the legwork to investigate into which of the sitting homeowners in their municipality don't actually qualify for an exemption and shouldn't have it. That's not fair to anyone.

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“When we hire new employees, we even tell them it will take 3 to 4 years before they understand the full scope of the assessment process.”

- Hope McClure, Chief Appraiser of Denton CAD, TX ([source](#))

County governments usually don't have the staff or access to the national scope of data necessary needed to perform the assessment this task efficiently and fairly. They're spending have to spend a whopping 5 to 10 minutes on each application per application ([Williamson CAD, TX - Exemption Case Study](#)), leading to delays, unhappy citizens, and negative press ([example](#)).

Counties are gradually realizing advancements in technology and data can change the way they deliver their services; and are improving the way they interact with their citizens ~~duly as a result~~. The end results are good news for all and are not as difficult to implement as you might think.

In this article, we explore some of the challenges of the tax exemptions application and vetting process, look at new ways to streamline it, and look at how data utilization can reduce the amount of effort that's required to make tax equity fairer, free up county time for more important matters, and create happy homeowners.

The Challenge of Vetting 5,000+ exemption applications

~~A~~If an application requires 10 minutes to review on average, then a county with only 1,000 applications will need more than a month of dedicated work to process them. That represents a lot of manpower, hours spent, and money lost.

“We’ve had a lot of inquiries, phone calls, and emails, saying, ‘Hey, I applied, and I’m waiting and waiting.” - Council-member Rod Dembowski, King County WA, ([source](#))

Some states [have passed legislation](#) regulating legislated exactly how much time long a county's appraiser's office has legally to review an application ([example](#)), which has only compounded the challenges faced by these offices and frustrated everyone involved, including the homeowners who are applying for an exemption.

~~Moreover~~ Additionally, evaluating an exemption application alone without doing anything to look at approved applications that should not have been stamped approved is an imperfect approach to say the least.

We like to believe that most people are good and not trying to game the system for their own benefit. The truth is ~~m~~Most unqualified exemptions were qualified at the

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time of application but had some disqualifying event later, such as a death, rental, or move. On average, only about 1% of in-place exemption will be unqualified at the point of application. This means governments across the U.S. are investing millions of hours to identify only a handful of unqualified applicants when unreported post-application events are likely the bigger problem.

The New Monitoring Paradigm Unlocks New Efficiencies

Until now, spending a significant amount of time on every tax exemption application has been the only way to do the vetting and approvals were done. Reviewing the owner's qualifications at the point of application was the only qualification checkpoint that existed. Additionally, once a homeowner tax exemption is issued, a new application does not need to be filed unless the property appraiser sends you one. (it's typically auto-renewed in all 50 states until the property sells).

However, the democratization of data over the last decade has changed the homeowner tax exemption paradigm away from one requiring a heavy burden of upfront vetting. The new model and all of the challenges that come with that, to a model one has here where the barrier of entry significantly can be reduced. Mand monitoring processes are being put in place to identify changes in qualification status proactively identify changes in qualification status.

The emergence of cloud database services, the ubiquity of data vendors, and the maturation of open data websites has encouraged the counties to establish business rules (lee county example) for new applications and then focus on monitoring the existing exemption enrollees for disqualification event notifications in real-time (such as like deaths, rentals, or duplicate homesteads).

The Citizen-Focused Outcomes of Modern Data For The Future

By establishing a set of automated checks (business rules tied to legislation and national datasets) for exemption homeowner tax exemption applications, county governments can auto-approve 90% or more applications automatically, knowing that if they missed any unqualified applicants or future unqualified applicants, their data monitoring capabilities will kick in and catch those exemptions as soon as they become unqualified.

This shift in focus results in both a dramatic reduction in manpower and hours spent by county governments in approving qualified homeowners for tax exemptions, as well as improved taxation accuracy for their jurisdictions, owing to

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data promptly ~~data on account of promptly~~ identifying unqualified exemptions and removing them automatically.

Perhaps most importantly, ~~the~~ ~~this~~ shift in focus from heavy upfront vetting of homeowner tax exemptions to a review-and-monitor approach, results in a happier homeowners and relieved county worker taxpayer.

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