

Treasurer's Report 6/7/22
2021 Collections, Investments and Update
Chris Kauffman, Grand County Treasurer

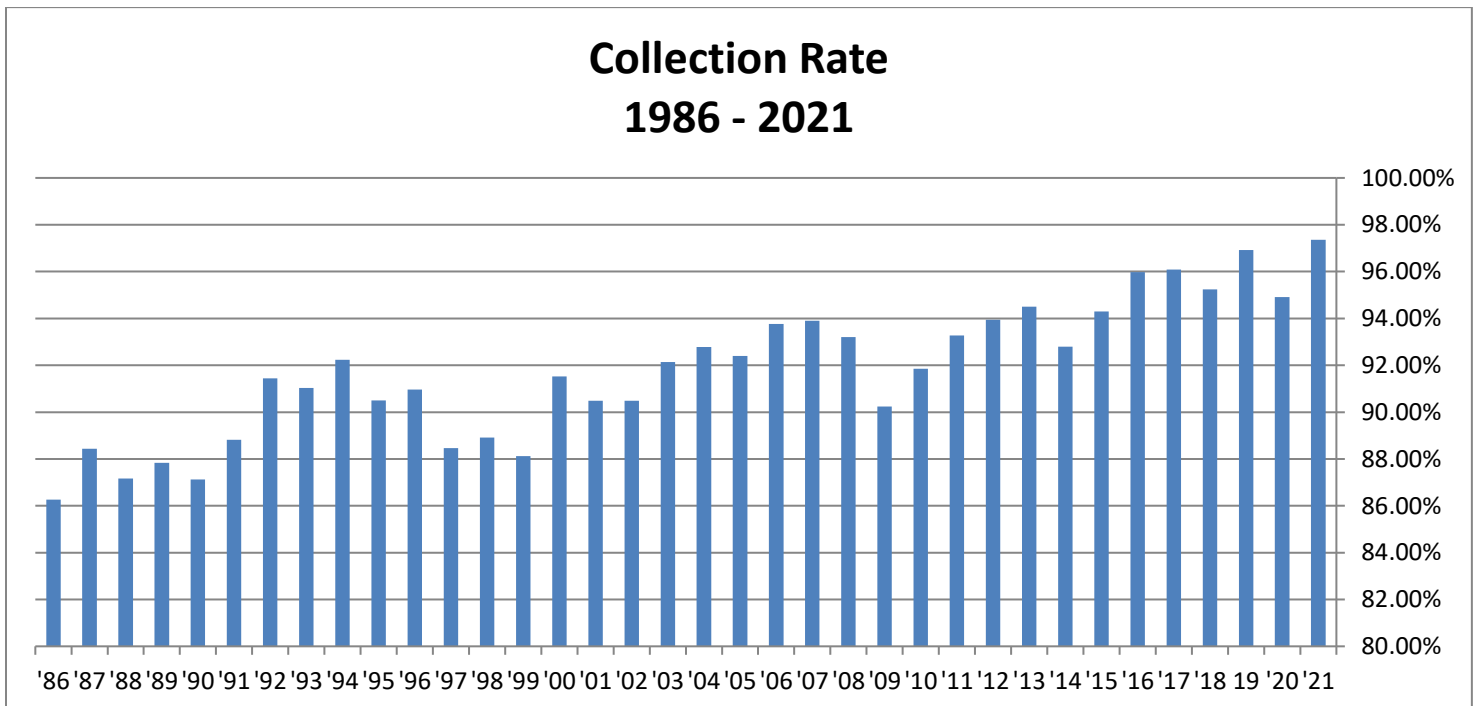
2021 Collections

Current Collection Rate

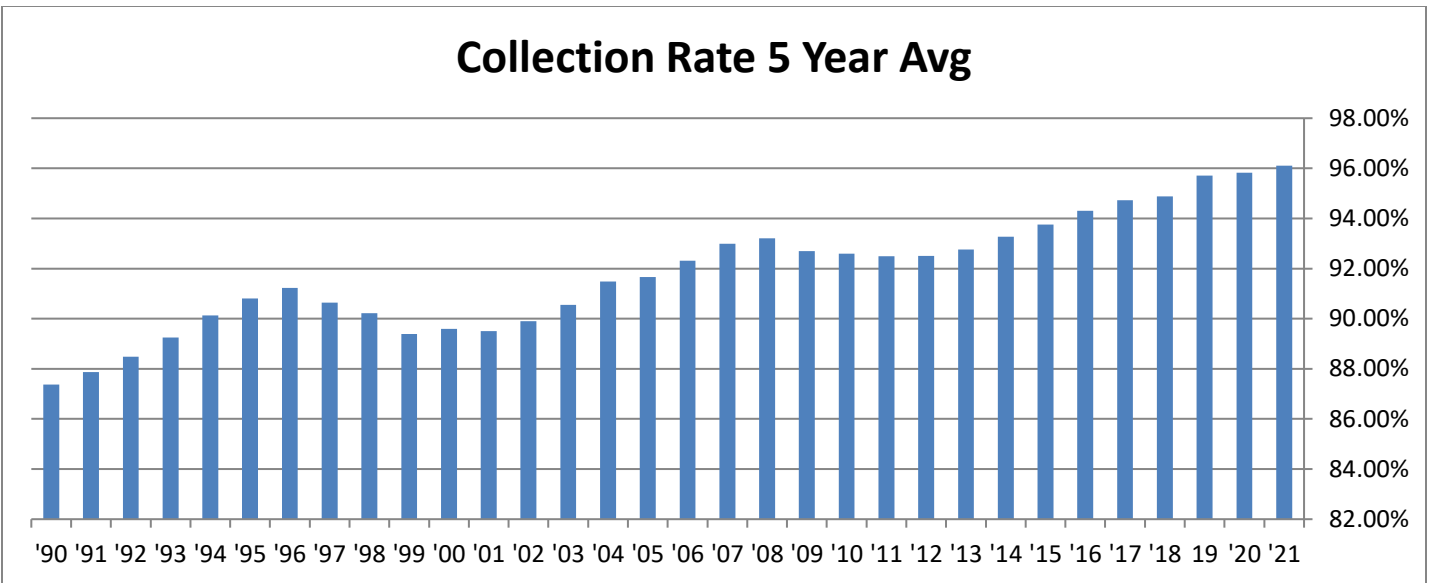
Summary: The collection rate for 2021 increased significantly to a historic high of 97.4% and the 5 year average also reached its highest point at 96.1%. This will save local tax payers approx. \$70,000 this year vs. last year. The 5 year average has been steadily increasing. When compared to 2014, these increases will have saved property owners approx. 2.6 million over seven years.

The collection rate is the proportion of taxes collected vs. the total taxes charged. It is an important statistic that is calculated by the Treasurer's Office and reported to the State. The State Tax Commission uses a 5 year average of the collection rate in its formula for each entity's certified tax rate. The higher the collection rate, the lower the certified tax rate. There was a large increase in the collection rate from 2020 (94.91%) to 2021 (97.36%). The 5 year average also increased significantly by 0.28%. That increase will save taxpayers approx. \$70,000 in 2022. There have been significant increases in the collection rate since 2014. If the 5 year average used in 2014 had stayed the same, about 2.6 million additional dollars of property tax would have been charged over seven years.

Grand County currently has the lowest levels of delinquent property tax on record. The fact that almost all taxpayers are caught up on their taxes is contributing to the record high collection rate. Electronic payments, emailed tax bills, auto bill pay and communication with tax payers also continued to help push the collection rate up.



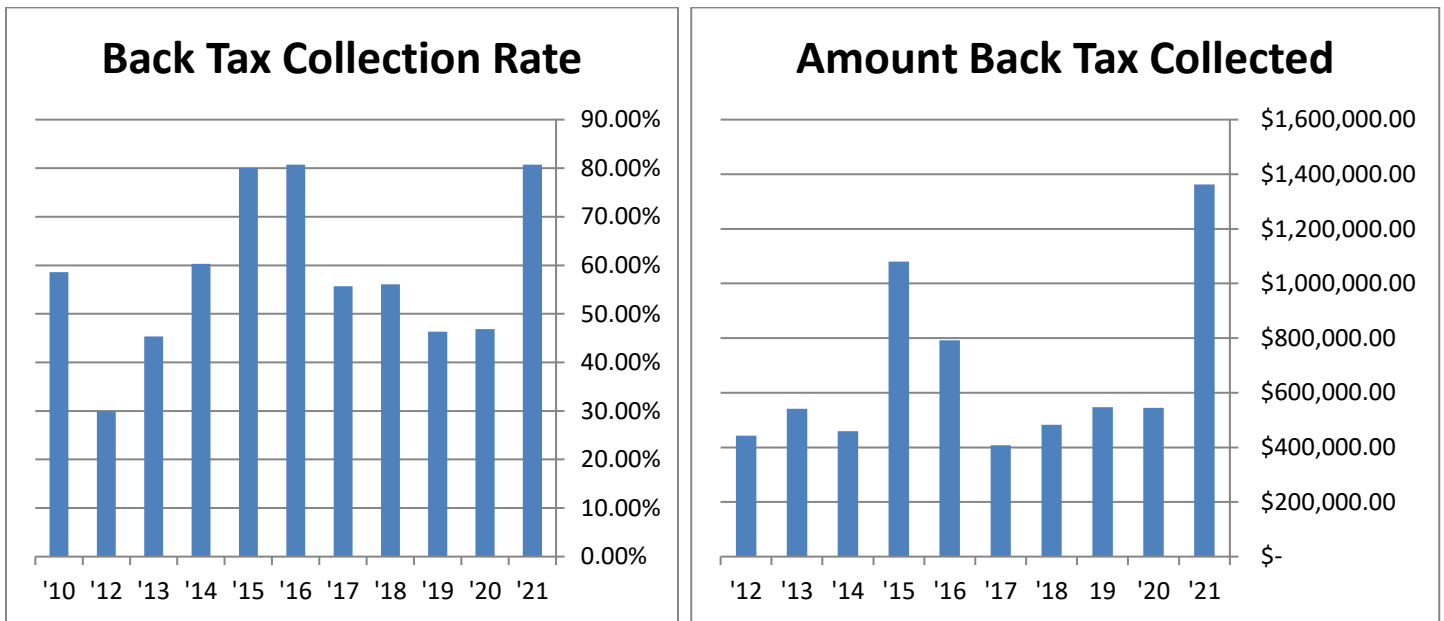
Collection Rate 5 Year Avg



Redemption Collection Rate

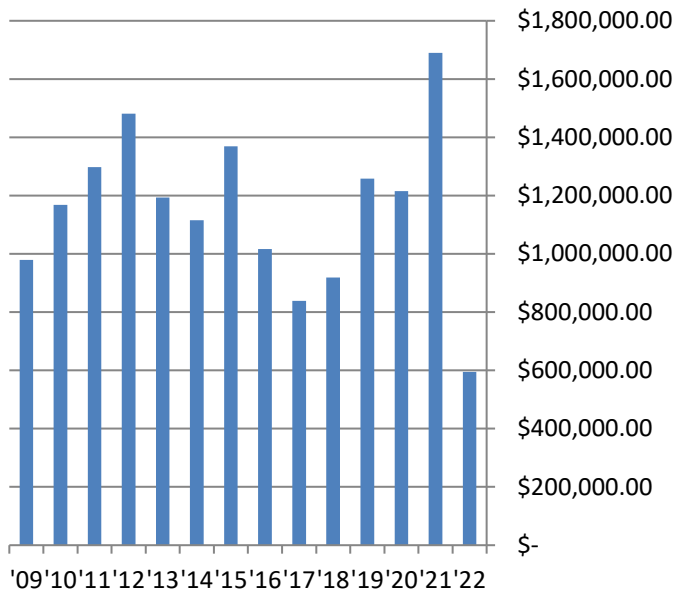
Summary: The redemption collection rate (80.75%) was one of the highest in recent years and the total amount of back tax collected (1.3 million) was the highest ever; both due in large part to the Union Pacific settlement.

The back tax collection rate increased dramatically from 46.84% in 2020 to 80.75% in 2021. This was due to continued strong collections and the settlement of the Union Pacific appeals. Similarly the amount of back tax collected jumped from \$545,029 in 2020 to \$1,362,145 in 2021. Union Pacific owed 715K in back taxes from 2018 and 2020 which were paid in 2021 (a relatively small amount of the tax was canceled per the settlement agreement).

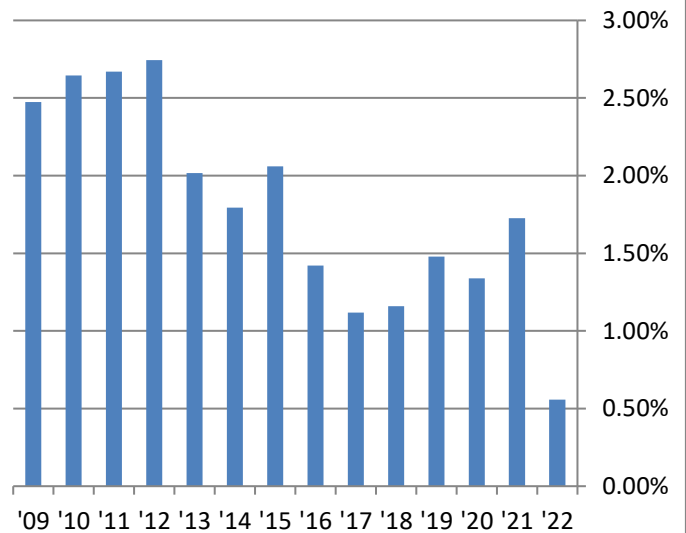


The amount of back taxes owed at the start of this year, \$595,123 is extremely low especially in comparison to the total amount of taxes charged. The end of the Harley Dome bankruptcy and subsequent cancellation of the uncollectable taxes, contributed to the low number. Another indication of the low amount of back tax is that only 2 parcels were eligible for tax sale at the beginning of the year and both were paid in full by May.

Amount of Back Taxes Due as of Jan 1st



Back Tax as % of Total Tax Charged over 5 years

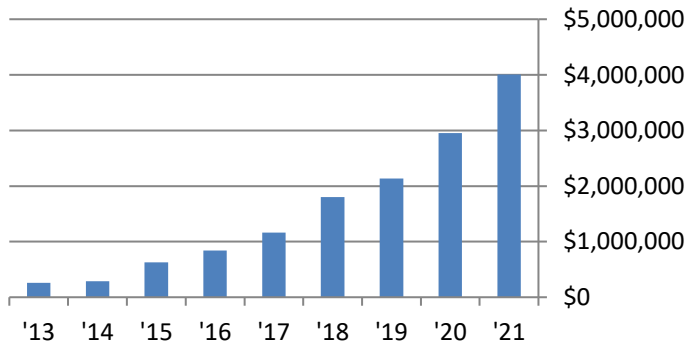


Electronic Payments

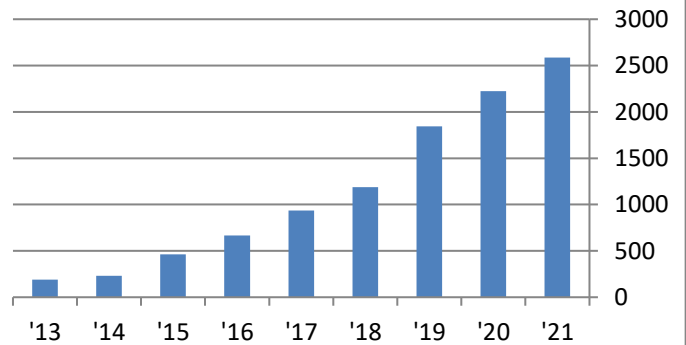
Summary: The number and total amount of electronic payments increased significantly. The annual amount collected electronically has exceeded 4 million and accounts for about 16% of taxes paid. These payments save huge amounts of staff time in addition to being more convenient for taxpayers who use them.

The amount of payments received by debit/credit card or by transfer from a bank account, increased significantly from 2020 (\$2,951,408) to 2021 (\$4,006,853). The number of individual payments also increased from 2020 (2,223) to 2021 (2,586). These payments are automatically downloaded into our tax accounting program and eliminate the need to open envelopes and manually enter transactions. With almost 16% of payments being made electronically, they are having a significant positive impact on the work load in the Treasurer’s Office.

Amount of Electronic Payments



Number of Electronic Payments



Auto Bill Pay

Summary: Since 2017, taxpayers have had the option to automatically withdraw property taxes from their account on a monthly or annual basis. The number of parcels signed up for this service increased significantly in 2021.

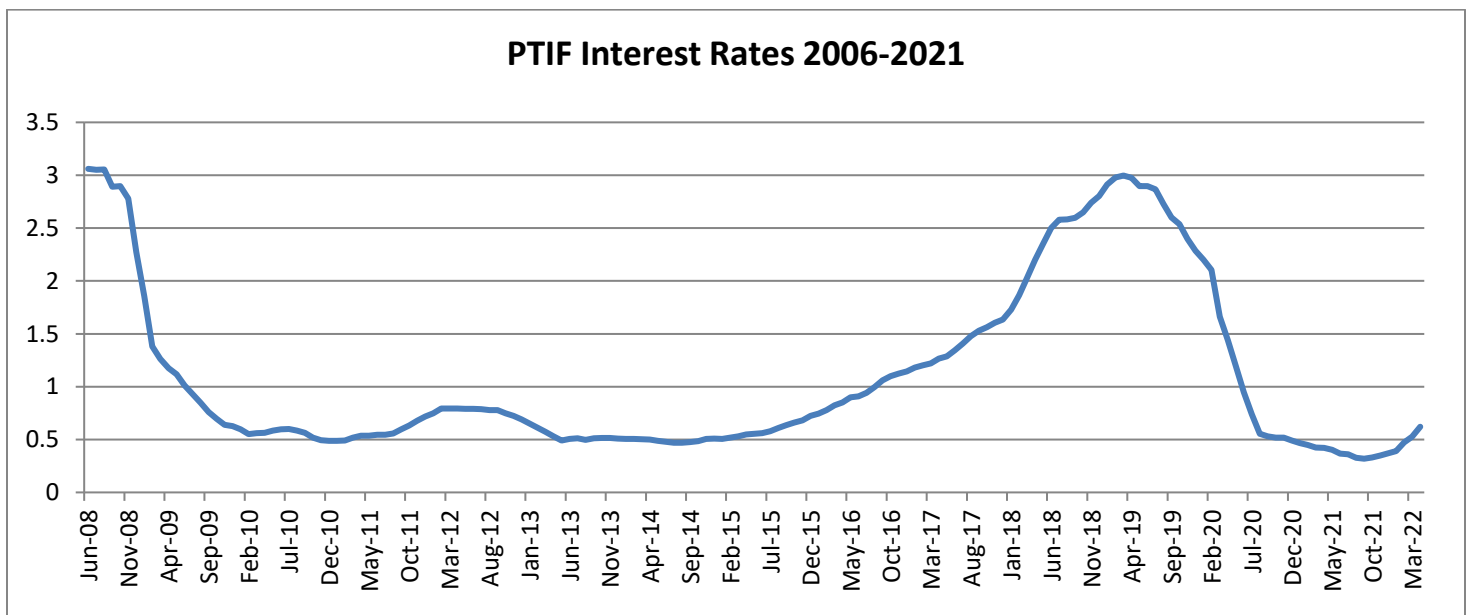
Auto Bill Pay automatically withdraws the exact amount of taxes owed from your bank or credit card account on a monthly or annual basis. A flyer advertising the Auto Bill Pay service was included with all of the 2021 tax bills. We saw a significant increase in the number of parcels signed up from 2020 (252) to 2021 (313). I anticipate that interest will continue to build as more people appreciate the convenience and the protection against accidental delinquency.

2021 Investments

Public Treasurer's Investment Fund

Summary: PTIF interest rates remained very low in 2021 but are increasing in 2022.

Interest rates remained low in the PTIF over the last year with the average rate in 2020 at 1.08% and 2021 at 0.38%. 2022 is already seeing a significant increase in interest rates as the Federal Reserve fights inflation.



Zions Capital Advisors

Summary: This investment has retained a higher interest rate than the PTIF because it generally has longer term holdings.

The investment earnings from ZCA dropped from \$26,951 in 2020 to \$9,437 in 2021. The ZCA investment is generally invested in longer term holdings than the PTIF. This allows us to get better interest rates but they are slower to respond to changes in the rates. At the end of January, the PTIF interest rate was 0.37% while ZCA was earning 0.57%. Since 2016 the ZCA investment has earned approximately \$15,000 more than would have been earned in the PTIF.

Other Updates

Debbie Littlefield, the Chief Deputy Treasurer since 2003, retired in 2021 which was a loss to the office. However, MaryLou Lopez moved over from the Travel Council and is doing a fantastic job.

The Treasurer's Office has assisted the Assessor's Office in offering online payments for business personal property taxes. This will save staff time in both the Treasurer's and Assessor's Offices and offers new options and convenience to local businesses. Personal property tax payers now have the same payment options as real property owners.

In 2021 we consolidated our PTIF accounts from about 28 active accounts to 13. This is facilitating a better allocation of interest between funds/entities within the County. Previously, funds within the County would receive interest based on what was earned in the PTIF account assigned to that fund. However, funds were not regularly moved in and out of the PTIF accounts to reflect actual expenditures and revenues. With the PTIF accounts consolidated, interest can be more accurately allocated. At the end of the year, interest earned is prorated based on actual fund balances.