

# County Assessment Function Funding Assistance (CAFFA) Program



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EXHIBIT: B  
HOUSE REVENUE COMMITTEE  
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# Origin of CAFFA program

- A&T disintegration in 1980's
- HB 2338 (1989) creates CAFFA
  - ✓ Provides grant funding for stability, equality and uniformity

# Funding for CAFFA

- \$20/document recording fee on property transactions
- Increased interest on delinquent property tax accounts

## HB 2338 also provides for general system oversight by the state

- Created a grant process
- Gives DOR responsibility to administer grant process
- Transfers responsibility for valuation of \$1million + industrials to DOR

# 1999 Legislature eliminates CAFFA sunset (HB 2139)

- Broadens base of documents subject to recording fee, reduces fee
- Establishes ORMAP program

## 1999 Legislature also begins separate \$5 million/biennium appropriation

- Increases stability of A&T funding
- Acknowledges benefit schools received from A&T system
- Distributed quarterly in proportion to each county's relative CAFFA share
- \$5 million appropriation dropped in 2009

# How CAFFA Works

# Counties submit A&T related budgets to DOR for evaluation

- If the grant is adequate, certified by DOR
- If inadequate, DOR notifies county of steps needed to achieve adequacy
  - ✓ County may submit amended budget
  - ✓ DOR may certify inadequate expenditures with written compliance plan
- If “superadequate,” excess costs not certified



## If inadequate and no amendment, DOR may deny county participation

- DOR may step in and assume county valuation responsibilities
- Cost to reimburse state paid out of other state revenues not otherwise dedicated by law

# Results of Program

- A&T functions stabilized statewide
- Equity and uniformity reestablished
- Reversed downward trends in most measurements of performance

# CAFFA Revenue

- Total revenues are down \$5 mil. from 2002
- The \$5 mil. appropriation ended in 2009
- Federal forest revenue is in its last year
- Workload for tax expenditures increases the demand while reducing the \$ to fund the program.
- Counties may turn over their programs to the state and DOR is not situated to manage that.