Local Certification Testing Scenarios

Testing Details

Location: _____

Date(s): _____

Vendor & Software Package Information

Vendor	Software Package	Use	Certified?	Technical Documents?	User Documents?

Testing Participants

Name	Entity/Company	Position	Email Address	Phone Number

1. General System Requirements

Test 1.1 Software Requirements

Purpose: Ensure that all computer software is a current version and release. <50 IAC 23-3-2, 50 IAC 23-3-9>
Test: Request confirmation from the software vendor(s) that the software to be certified, and any proprietary database management system utilized,:

1. Continues to be published or inventoried by the vendor(s).
2. Is completely maintained by the vendor(s).
3. Is actively supported as a fully maintainable and market viable product.
4. Is not targeted for discontinuation within the next twenty-four (24) months.

Result	Evaluator General Comments	W/P Reference

Test 1.2 Batch Updates

Purpose: Demonstrate property tax management system provides for batch updates from external files organized as flat ASCII files containing same fields (or any subset thereof) as those in the database. <50 IAC 23-3-5>
Tests:

1. Perform an “update run” by importing a flat ASCII file, showing that the operation can be done successfully (i.e., without encountering an error report.) Examples of batch updates would include acceptance of an electronic funds transfer on multiple accounts from a mortgage company or the application of a neighborhood annual adjustment factor to a set of neighborhoods.
2. Perform a subsequent update run, but with a file containing at least one record in error. Then check to see that the system:
    a. Identifies the record in error and indicates the type of error.
    b. Provides an error report for the update run.
3. After performing #2, reverse the batch update with the run to restore the database to its prior condition.

Result	Evaluator General Comments	W/P Reference

Test 1.3 Response Time

Purpose: Determine whether property tax management system response time across sub-systems is reasonable based on current industry standards. <50 IAC 23-3-7>
Test: Verify that response times across sub-systems are appropriate for the function being demonstrated. To verify, calculation time will be recorded for the following items as these items are demonstrated in other testing scenarios:

1. Generation of a Property Record Card
2. Data roll from Assessment to Tax and Billing
3. Creation of Certificate of Net Assessed Value
4. Creation of Tax Duplicate
5. Creation of TS-1 Tax Comparison Statement and Tax Bill

Result	Evaluator General Comments	W/P Reference

Test 1.4 Office Integration

Purpose: Determine whether property tax management system allows for immediate access across sub-systems. <50 IAC 23-15-2, 50 IAC 23-15-3, 50 IAC 23-15-4, 50 IAC 23-15-8, 50 IAC 23-15-9>
Test: Verify that the system allows for immediate access to updates by all authorized county personnel in the following scenarios:

1. Modification of real property property address.
2. Deletion of personal property owner address.
3. Addition of mobile home property taxpayer name and address.
4. Creation of a real property record.
5. Inactivation of a personal property record.

For the purposes of this test, “immediate” means within 24 hours.

Result	Evaluator General Comments	W/P Reference

2. Scenario Demonstration

Test 2.1 Transfer of Real Property Parcel

Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3>
Test: Enter information indicating a transfer of ownership for a particular real property parcel. The demonstration shall include:

1) Handling of exemptions, deductions, and credits that were assigned to the transferred property. To test this, the system must demonstrate that exemptions and deductions are not automatically transferred to the new owner or that the system user has the option to select which of these to transfer.
2) Updating associated tax and billing information, including:
    a. Only the appropriate tax years are affected. To test this, the system must maintain the prior owner information in historical years, while updating owner information to the new owner for the future years.
3) Updating any associated assessing information, including:
    a. Only the appropriate assessment years are affected.
    b. Transfer of real property updates seamlessly into CAMA system.
4) Verify that correct parcel number appears in the assessment sub-system.

Result	Evaluator General Comments	W/P Reference

Test 2.2 Homestead Deduction

Purpose: Demonstrate ability of assessment system to separate gross assessed value of land and improvements into that which is homestead-eligible and that which is homestead-ineligible. <50 IAC 23-6-3, IC 6-1.1-12-37, 50 IAC 23-18-3>
Tests:

1. Access a property record that contains two (2) structures, one which is homestead-eligible and the other which is homestead-ineligible. Ensure that the assessed value breakdown is the same for both the assessment software and the tax and billing software.
2. Calculate homestead deduction of three parcels:
    a. A homestead-eligible parcel with gross AV less than $80,000
    b. A homestead-eligible parcel with gross AV between $80,000 and $645,000
    c. A homestead-eligible parcel with gross AV greater than $645,000
    d. A parcel containing a mixture of homestead and non-homestead assessed value (i.e. home and 3 acres of land)

Result	Evaluator General Comments	W/P Reference

Test 2.3 Property Split

Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3>
Test: Perform a property split through which the existing parcel record is inactivated and new parcel records are created in the property tax management system. In the process, demonstrate that the property tax management system reflects the following changes:

a) The newly created parcel appears in the assessment sub-system, and complies with the parcel numbering system.
b) Necessary adjustments can be made to the newly created parcels,
c) Search for the inactivated parcel in future years to verify its inactivation.

Result	Evaluator General Comments	W/P Reference

Test 2.4 Property Combination

Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3>
Test: Perform a property combination. In the process, demonstrate that the property tax management system reflects the following changes:

a) The newly created parcel appears in the assessment sub-system.
b) Necessary adjustments can be made to the newly created parcel.

Result	Evaluator General Comments	W/P Reference

Test 2.5 Application of Annual Adjustment Factors

Purpose: Demonstrate that the assessment system meets basic requirements related to the application of adjustments to user specified groups of properties. <50 IAC 23-6-12, 50 IAC 23-18-3>
Tests: Select three neighborhoods that include a mix of properties from different property classes. Then perform the following:

1. Verify that an annual adjustment factor(s) can be applied to these neighborhoods.
2. Verify that users can apply the factor(s) resulting from revised ratio studies to these neighborhoods. (This would be where the import requirement would go – if not import, delete this test as this seems repetitive to Test 1.)

Result	Evaluator General Comments	W/P Reference

Test 2.6 Economic Revitalization Area Deduction

Purpose: Ensure that tax and billing system can apply economic revitalization area deductions. <50 IAC 23-7-4, IC 6-1.1-12.1, 50 IAC 23-18-3>
Test: Verify that the following elements can be recorded into tax and billing system:

a) Parcel of property receiving the deduction.
b) The number of years the parcel or property is to receive the deduction.
c) The percentage of the deduction for each year the parcel or property is to receive the deduction.
d) The assessed value eligible to receive the deduction.
e) The specific improvement to receive the deduction, if multiple improvements exist on a parcel receiving the deduction.

Result	Evaluator General Comments	W/P Reference

Test 2.7 Calculation of Property Tax Rates

Purpose: Ensure tax and billing system can calculate property tax rates. <50 IAC 23-7-8, 50 IAC 23-18-3>
Test: Validate that tax and billing system:

a) Accepts data entry of every individual taxing unit fund rate and generates the county tax adjustment board rate chart.
b) Overwrites data entered fund rates with those provided by the department (DLGF) if the rates in the assessment and tax and billing sub-systems differ. Then, use the resulting set of rates for tax calculation.
c) Aggregates individual taxing unit fund rates for any given taxing unit.
d) Aggregates individual fund rates for any given taxing district.

Result	Evaluator General Comments	W/P Reference

Test 2.8 Tax Increment Revenues

Purpose: Demonstrate that the tax and billing system can account for, apply, and display data related to tax increment revenues. <50 IAC 23-7-10>
Test: Demonstrate that tax and billing system can create a TIF district, then demonstrate the system can perform the following operations:

1. Demonstrate that the system is able identify each real property parcel that is within a TIF Allocation Area by an indicator through the following test: set the indicator for several parcels and run a report to assure that the parcels are identified as in an allocation area. Verify that the parcel is flagged as being within a TIF on both the assessment and tax and billing records.
2. Demonstrate that the system can carry the indicator forward if a real property parcel in a TIF Allocation Area is split through the

following test: perform a split of a TIF parcel, and see if the new parcels are shown as designated for the TIF.

3. Demonstrate that the system is able to identify each personal property record that is within a TIF Allocation Area by an indicator through the following test: set the flag for several personal property records and run a report to assure that the records are identified as in an allocation area.
4. Demonstrate that the system is able to identify which TIF Allocation Area the real property parcel or personal property record is in by name or designation through the following test: flag various real estate parcels and personal property records as TIF Allocation Area "x" or TIF Allocation Area "y" and run a report to assure that the system will generate a report by TIF Allocation Area.
5. Demonstrate that the system is able to record the base NAV of the real estate parcel or personal property record based on the value as of a designated March 1st date and retain that original base NAV through the following test: Enter a set of values (gross AV and deductions) for TIF parcels or records as of March 1, 20x1 (the base date) and a different set of values for the same parcels for March 1, 20x2. Run a report to determine whether the base value is reported correctly.
6. Demonstrate that the system is able to record adjustments to the base NAV of the real estate parcel or personal property record and assure that calculations based on incremental value as of a certain date is based on the adjusted base value as of that date and not on the original value as of that date through the following test: Adjust base values and calculate new amount of increment.
7. Demonstrate that for certain TIF Allocation Areas (economic development areas created after July 1, 1995 or redevelopment areas created after July 1, 1997) the system is able to adjust the base NAV of residential real property parcels so that if the NAV of the parcel is greater than the base NAV, the base NAV is adjusted to be equal to the NAV through the following test: Enter various NAV values for a series of residential real property parcels, some higher than the base NAV and some lower than the base NAV. Determine whether the system adjusted the values of residential properties with NAV higher than the base NAV.
8. Demonstrate that the system is able to reallocate the base assessed values of real property parcels with individual negative increment to allocate the negative amount to real property parcels with positive increment on a pro rata basis through the following test: Enter a set of values (gross AV and deductions) for TIF parcels, some of which will create negative increment and run the base adjustment routine. [Note: In this calculation, the parcels with individual negative incremental NAV will receive a reduction in base NAV so that the incremental amount will calculate to zero (0) and the parcels with individual positive NAV will receive a pro rata reduction in NAV by receiving an increase in base NAV.]
9. Demonstrate that the system is able to accept adjustments to the base NAV of the real property parcels or personal property records based on the application of a factor to all base NAV amounts through the following test: Input a base adjustment factor and run a report to insure that each base NAV was adjusted.
10. Demonstrate that the system is able to calculate the incremental NAV of the allocation area as a whole (current NAV minus adjusted base NAV) to determine whether there is positive increment. [Note: If the increment is negative, the system must report the amount of TIF increment as the negative number, but must treat that amount as zero (0) for purposes of the NAV Certification and tax rate calculation.]
11. Demonstrate that the system is able to calculate the incremental NAV of the allocation area by taxing district and perform the following calculations:
    a) If the incremental NAV of the TIF Allocation Area as a whole is negative, no amount for the TIF Allocation Area is carried forward to the NAV Certification and tax rate calculation for any taxing district in which the TIF Allocation Area is situated.
    b) If the incremental NAV of the TIF Allocation Area in <u>every</u> taxing district in which the TIF Allocation Area is situated is positive, the positive amount is carried forward to the NAV Certification and tax rate calculation separately for each taxing district.

c) If more than one TIF Allocation Area with positive incremental NAV is contained, in whole or in part, within any taxing district, the positive incremental NAV of each TIF Allocation Area is added together for the NAV Certification. If a taxing district contains all or part of more than one TIF Allocation Area and one or more of the TIF Allocation Areas has a negative incremental NAV, the negative incremental NAV is not combined with the positive NAV of other TIF Allocation Areas in the taxing district for the NAV Certification and tax rate calculation.

To demonstrate the foregoing, perform the following test: create various scenarios with TIF Allocation Areas having positive and negative increment cross various taxing district lines and determine results.

12. Demonstrate that the system is able to combine the base NAV and incremental NAV of each real property parcel and personal property record in order to produce one tax bill for each parcel or record by performing the following test: Create an allocation area and run tax bills to determine that only one bill is generated per parcel or record.
13. Demonstrate that the system is able to track the property tax payments from real property parcels and personal property records and allocate the payments between the amount allocable to the TIF Allocation Area and the amount allocable to the underlying taxing units by performing the following test: Create an allocation area, generate tax bills and payments and generate a distribution (settlement) report to determine if the amounts were properly allocated.

Result	Evaluator General Comments	W/P Reference

Test 2.9 Adjustment of Real Property AV Due to Correction of Error

Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3>

Test: Perform an adjustment of assessed value to a real property parcel. The adjustment should result from a correction of error and the subsequent recalculation of taxes from the change in value. Then, release the resulting assessed value to assessment system sub-system.

Result	Evaluator General Comments	W/P Reference

Test 2.10 Adjustment of Personal Property AV Due to Appeal Determination		
Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3> **Test:** Perform an adjustment of assessed value to a personal property record. The adjustment should result from a correction of error and the subsequent recalculation of taxes from the change in value. Then, release the resulting assessed value to assessment system sub-system.		
Result	**Evaluator General Comments**	**W/P Reference**

Test 2.11 Adjustment of AV Due to Additional Assessment		
Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3> **Test:** Perform an upward adjustment of assessed value to a real property parcel due to an additional assessment. The adjustment should result in the subsequent recalculation of taxes from the change in value. Then, release the resulting assessed value to assessment system sub-system.		
Result	**Evaluator General Comments**	**W/P Reference**

3. Walkthrough

Test 3.1 Real Property Parcel "Walkthrough"
Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3> **Test:** Perform a complete walkthrough of a residential real property parcel from recalculation of gross assessed value to settlement. In the process, demonstrate that the property tax management system can perform the following activities: a) County Assessor certifies Gross Assessed Value for one parcel to County Auditor, broken down by residential and non-residential, and indicating any abatements and investment deductions. b) County Auditor applies deductions and exemptions. c) County Auditor prepares Certificate of Net Assessed Value. d) Lock all parcel data for the year.

e) County Auditor imports budget order with final tax rates as provided by DLGF.
f) Calculate Property Tax and Create Tax Duplicate. (Ensure all credits, including circuit breaker credits, are being correctly calculated and applied.)
g) Create Abstracts.
h) Generate Tax Chart for newspaper.
i) Abstract transmitted to Auditor of State. (No actions required.)
j) Auditor of State Approves Abstract. (No actions required.)
k) Generate and transmit tax duplicate to County Treasurer.
l) County Treasurer prepares tax bills and statement of taxes and assessments.
m) County Treasurer collects payments.
n) County Treasurer certifies collections and locks down collection period, then opens up next collection period.
o) County Auditor prepares settlement reports and transmits reports to State Auditor.
p) State Auditor approves settlement. (No actions required.)
q) County Auditor distributes the tax money and issues certificates of tax distribution (Form 22s) to taxing units and the department.

Result	Evaluator General Comments	W/P Reference

Test 3.2 Personal Property Record "Walkthrough"

Purpose: Demonstrate property tax management system can perform functions across sub-systems without requiring users to manually re-key data. <50 IAC 23-15, 50 IAC 23-18-3>

Test:

1. Perform a complete walkthrough of a personal property record from recalculation of gross assessed value to settlement. In the process, demonstrate that the property tax management system can perform the following activities:

a) County Assessor certifies Gross Assessed Value for one parcel to County Auditor.
b) County Auditor applies deductions and exemptions.
c) County Auditor prepares Certificate of Net Assessed Value.
d) Lock all personal property data for the year.
e) County Auditor imports budget order.
f) Calculate Property Tax and Create Tax Duplicate.
g) Create Abstracts.
h) Generate Tax Rate Chart for newspaper.
i) Abstract transmitted to Auditor of State. (No actions required.)
j) Auditor of State Approves Abstract. (No actions required.)
k) Generate and transmit tax duplicate to County Treasurer.

l) County Treasurer prepares tax bills and statement of taxes and assessments.
m) County Treasurer collects payments.
n) County Treasurer certifies collections and locks down collection period, then opens up next collection period.
o) County Auditor prepares settlement reports and transmits reports to State Auditor.
p) State Auditor approves settlement. (No actions required.)
q) County Auditor distributes the tax money and issues certificates of tax distribution (Form 22s) to taxing units and the department.

2. Verify that, in both the assessment and tax and billing sub-systems, the personal property record conforms to the parcel numbering system.
3. Demonstrate that at the closing of one assessment year and the opening of the next assessment year the personal property identifier carries forward.

Result	Evaluator General Comments	W/P Reference

4. Reporting and Archiving

Test 4.1 User-Defined Reporting of Errors and Inconsistencies Across Sub-systems

Purpose: Determine whether the property tax management system enables operators to perform user-defined reporting operations across its sub-systems (e.g., across the assessment and tax and billing systems). <50 IAC 23-10-1, 50 IAC 23-11-1>

Test: Generate and show (via screen, file, or printer) to evaluator a report identifying mismatches and inconsistencies between sub-systems (e.g., does CAMA code something as exempt but tax and billing codes as non-exempt?).

Result	Evaluator General Comments	W/P Reference

Test 4.2 Data Archiving

Purpose: Demonstrate that the system can archive data and recover archived data. <50 IAC 23-3-6>
Test: Save archived data to a removable, readable media, then access saved data and recover into a new testing environment.

Result	Evaluator General Comments	W/P Reference