

**Department:** County Management

**Program Contact:** Rick Teague

**Program Offer Type:** Existing Operating Program

**Program Offer Stage:** As Adopted

**Related Programs:**
**Program Characteristics:**

### Executive Summary

The Personal Property Assessment Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for valuing all taxable Business Personal Property accounts. Personal Property represents 5% of the value upon which taxes are levied for the benefit of all Multnomah County taxing districts.

### Program Summary

This program is responsible for maintaining Real Market Value and Maximum Assessed Value on all taxable Personal Property accounts. Oregon Revised Statutes require annual filings from the 23,000 businesses in the county, comprising more than 34,000 accounts. 30% of those accounts are equipment-leasing companies. Values must be fully recalculated each year to reflect items added or disposed of by businesses and to calculate depreciation influence on remaining assets.

Appraisers perform field inspections and detailed reviews to identify businesses and properties omitted from the assessment roll. Appraisals are performed to defend values under appeal. This program assesses Personal Property accurately and fairly as required by Oregon Revised Statutes (ORS), maximizing property tax revenues to fund programs. Maintaining accurate Real Market Values on all property directly affects the maximum bonding capacity and general obligation bond tax rates for all applicable taxing districts in the County. Property taxes account for approximately 65% of the County's General Fund revenues. Under the Measure 50 tax limitation measure, there is no assumption of a 3% increase in personal property taxable value; instead, each business annually reports existing taxable property. Failure to monitor this process will result in loss of taxable assessed value and tax revenue. The focus is on discovery of new taxable property and resolving value appeals to minimize cost to taxpayers. Various computer and online tools are used to maximize appraisal efforts. Accurate values maximize the level of tax assessment allowed under Measure 5 and Measure 50 tax limitation measures.

### Performance Measures

Measure Type	Primary Measure	FY14 Actual	FY15 Purchased	FY15 Estimate	FY16 Offer
Output	Number of Non-Leased Accounts Processed, Coded and Valued	22,500	23,000	22,600	22,700
Outcome	Assessed Value in Millions of Personal Property Value Placed on the Tax Roll	\$2,317	\$2,350	\$2,406	\$2,408
Output	Percentage of Accounts with Captured Asset Listings	75%	79%	75%	75%
Output	Percentage of Accounts Filing Electronically	10%	10%	6%	6%

### Performance Measures Descriptions

Oregon Revised Statutes require all property appraisals be at 100% of Market Value. Failure to meet standards can result in loss of CAFFA grant revenue and program control. Program measures focus on improving efficiency and technology utilization. We capture annual asset lists from businesses in a database and return them to the business each year for updating. We encourage businesses to file their lists electronically, reducing our costs and improving accuracy.

## Legal / Contractual Obligation

Oregon Revised Statutes (ORS) Chapters 92,205,294,305,306,307,308, 308A, 309, 310 and 321 and related Oregon Administrative Rules regulate virtually all aspects of the assessment and property tax calculation process. ORS 306.115 assigns statewide general supervision of the property tax system to the Oregon Dept. of Revenue (DOR). Through the "County Assessment Function Funding Assistance" (CAFFA) Grant process described in ORS 294.175, the DOR determines the acceptable level of assessment and taxation (A&T) staffing. The DOR has determined that DART is already at the minimally acceptable staffing level to perform their A&T functions. Any reduction to this program may jeopardize this grant revenue.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2015	2015	2016	2016
Personnel	\$1,054,275	\$0	\$1,006,762	\$0
Contractual Services	\$10,000	\$0	\$10,000	\$0
Materials & Supplies	\$12,579	\$0	\$12,650	\$0
Internal Services	\$131,474	\$0	\$261,807	\$0
<b>Total GF/non-GF</b>	<b>\$1,208,328</b>	<b>\$0</b>	<b>\$1,291,219</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$1,208,328</b>		<b>\$1,291,219</b>	
<b>Program FTE</b>	10.60	0.00	10.20	0.00

Program Revenues				
Intergovernmental	\$302,910	\$0	\$298,813	\$0
<b>Total Revenue</b>	<b>\$302,910</b>	<b>\$0</b>	<b>\$298,813</b>	<b>\$0</b>

## Explanation of Revenues

Participation in the Oregon Department of Revenue County Assessment Function Funding Assistance (CAFFA) Grant provides reimbursement of approximately 25% of Assessment & Taxation program expenditures; Grant amounts vary depending upon the overall state-wide CAFFA pool and the allocated percentage to each participating county. Multnomah County's total annual share of CAFFA is estimated at \$3,536,250 for FY16, with \$298,813 allocated to DART Personal Property Assessment Program. Remaining Program support is provided by General Fund revenues.

## Significant Program Changes

**Last Year this program was:** FY 2015: 72031 DART Personal Property Assessment

Transferred .40 FTE allocation of Program Manager to Program #72033 Commercial Appraisal