

Department: County Management **Program Contact:** John Botaitis
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Proposed
Related Programs:
Program Characteristics:

Executive Summary

The Personal Property Assessment Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for processing all taxable Business Personal Property returns received. Personal Property represents 4% 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 business Personal Property accounts. Oregon Revised Statutes require annual filings from businesses in the county, comprising more than 34,000 accounts. 40% 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.

Assessment technicians review returns for accuracy/completeness and select/apply appropriate depreciation factors. Technicians also conduct research and discovery of businesses and property omitted from the assessment roll. Appraisals are performed to defend values under appeal. This program assesses Personal Property accurately 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 60% 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. Accurate values maximize the level of tax assessment allowed under Measure 5 and Measure 50 tax limitation measures.

Performance Measures

Measure Type	Primary Measure	FY18 Actual	FY19 Purchased	FY19 Estimate	FY20 Offer
Output	Number of Accounts Processed, Coded and Valued	29,000	22,200	27,000	27,000
Outcome	Assessed Value in Millions of Personal Property Value Placed on the Tax Roll	\$2,552	\$2,700	\$2,600	\$2,600
Efficiency	Percentage of Accounts Filing Electronically	6.3%	10%	8%	8%

Performance Measures Descriptions

A new DART database program required an update of the performance measures. 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. Current DART staffing is minimally adequate to perform statutory functions. DOR staffing guidelines, however, indicate a deficiency in FTE appraisal staff which precipitated a reallocation of 4 positions to Appraiser 1s. Any reduction to this program may jeopardize the grant revenue.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2019	2019	2020	2020
Personnel	\$1,272,909	\$0	\$899,952	\$0
Contractual Services	\$0	\$0	\$14,050	\$0
Materials & Supplies	\$32,210	\$0	\$3,798	\$0
Internal Services	\$268,896	\$0	\$289,149	\$0
Total GF/non-GF	\$1,574,015	\$0	\$1,206,949	\$0
Program Total:	\$1,574,015		\$1,206,949	
Program FTE	11.25	0.00	7.25	0.00

Program Revenues				
Intergovernmental	\$355,301	\$0	\$212,549	\$0
Total Revenue	\$355,301	\$0	\$212,549	\$0

Explanation of Revenues

Participation in the Oregon Department of Revenue County Assessment Function Funding Assistance (CAFFA) Grant provides reimbursement of approximately 21% 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 \$3,627,108, with \$212,549 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 2019: 72031-19 DART Personal Property Assessment

Reduced Program 72031 DART Personal Property Assessment from 11.25 FTE to 7.25 FTE. Moved vacant position 705241 Property Appraiser 2 to 72032 Industrial program; Move vacant position 704432 Property Appraiser 2 from Industrial program to Personal Property program. Moved 4.00 FTE positions 703844, 704861, 705846 and 703844 A&T Tech 1 to Residential program. Net Reduction (4.00 FTE)