

**Department:** County Management

**Program Contact:** Rick Teague

**Program Offer Type:** Existing Operating Program

**Program Offer Stage:** As Requested

**Related Programs:**
**Program Characteristics:** In Target

### Executive Summary

The Property Assessment-Industrial Program, within the Division of Assessment, Recording and Taxation (DART) is responsible for valuing, appraising and/or maintaining all local and state industrial property. Industrial property represents approximately 5% of the total taxable assessed value upon which taxes are calculated and 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 627 county-responsibility industrial properties and maintenance of 325 accounts appraised by the Oregon Department of Revenue. In addition this program is responsible for maintaining Real Market Value and Maximum Assessed Value on 482 billboard accounts. All industrial property owners are required to file industrial property returns annually. A number of industrial plants are physically inspected and audited every year. Appraisers perform appraisals to defend values under appeal. Industrial properties are high-value accounts; loss on appeal can result in large tax refunds paid by taxing jurisdictions with interest. Focus is on proper classification of taxable property and resolving value appeals to minimize cost to taxpayers. Use of various computer and online tools maximize appraisal efforts. This program appraises industrial property accurately and fairly as required by the 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 61% of the County's General Fund revenues. Accurate values maximize the level of tax assessment allowed under Measure 5 and Measure 50 tax limitation measures.

### Performance Measures

Measure Type	Primary Measure	FY15 Actual	FY16 Purchased	FY16 Estimate	FY17 Offer
Output	Number of Industrial Accounts Maintained	970	970	952	952
Outcome	Assessed Value placed on the Tax Roll (in millions)	\$2,964	\$2,975	\$3,033	\$3,044
Output	Number of Industrial Sites Reviewed	19	21	10	25

### Performance Measures Descriptions

Oregon Revised Statutes require property appraisals be at 100% of Market Value each year. Failure to meet standards can result in loss of CAFFA grant revenue and program control. Measures include state and county responsible industrial sites to better reflect the contribution of this program. Site Reviews include physical inspections, owner interviews and inventory of machinery and equipment to ensure we have accurate data on which to base our values. 2016 Site Reviews declined due to staff turnover. and will increase for 2017.

## 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	2016	2016	2017	2017
Personnel	\$902,079	\$0	\$824,948	\$0
Materials & Supplies	\$33,763	\$0	\$49,876	\$0
Internal Services	\$103,066	\$0	\$105,248	\$0
<b>Total GF/non-GF</b>	<b>\$1,038,908</b>	<b>\$0</b>	<b>\$980,072</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$1,038,908</b>		<b>\$980,072</b>	
<b>Program FTE</b>	8.30	0.00	7.70	0.00

Program Revenues				
Intergovernmental	\$213,943	\$0	\$222,916	\$0
<b>Total Revenue</b>	<b>\$213,943</b>	<b>\$0</b>	<b>\$222,916</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 \$3,624,656 for FY 2017, with \$222,916 allocated to DART Property Assessment-Industrial Program. Remaining Program support is from General Fund revenues.

## Significant Program Changes

**Last Year this program was:** FY 2016: 72032-16 DART Property Assessment Industrial

Transferred 1.00 FTE (A&T Technician 2) to County Clerk Recording program.

Added new Property Appraiser 2 position with existing resources for appeals management and coordination. Position is split between Industrial Appraisal 72032 (.40 FTE) and Commercial Appraisal 72033 (.60 FTE). Net decrease of .60 FTE from FY 2016 to FY 2017.