



Program #72032 - DART Property Assessment Industrial

6/25/2019

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

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 manufacturing plants, warehouses, billboards, bulk petroleum storage facilities and Port of Portland properties. Industrial property represents approximately 8% 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 for the following types of accounts: 1,231 county and state appraised manufacturing accounts, 3,055 storage and distribution warehouse accounts, and 462 billboards. Manufacturers are required to file industrial property returns annually. Through the return process industrial appraisers value approximately 47,244 machinery, equipment and personal property assets and 958 bulk petroleum storage tanks. Performance is measured through the number of permits completed per year, and annual audits of machinery, equipment and personal property assets and billboard account review. Additional performance efficiency is achieved by converting industrial valuation methodologies to income models, land tables and other automated calculation methods. 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. 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	FY18 Actual	FY19 Purchased	FY19 Estimate	FY20 Offer
Output	Number of Industrial Assets Valued	48,609	49,000	49,000	49,500
Outcome	Number of Industrial Personal Property, Machinery & Equipment and Tank Assets Physically Reviewed	2,000	3,500	3,672	4,950
Efficiency	The percentage of accounts revalued using a mass appraisal model	8%	10%	10%	20%

Performance Measures Descriptions

A new DART database program required an update of the performance measures. 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. 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.

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	\$960,031	\$0	\$1,044,099	\$0
Contractual Services	\$0	\$0	\$500	\$0
Materials & Supplies	\$39,361	\$0	\$45,786	\$0
Internal Services	\$117,294	\$0	\$139,343	\$0
Total GF/non-GF	\$1,116,686	\$0	\$1,229,728	\$0
Program Total:	\$1,116,686		\$1,229,728	
Program FTE	8.25	0.00	8.25	0.00

Program Revenues				
Intergovernmental	\$260,478	\$0	\$241,928	\$0
Total Revenue	\$260,478	\$0	\$241,928	\$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 \$241,928 allocated to DART Property Assessment Industrial program. Remaining Program support is from General Fund revenues.

Significant Program Changes

Last Year this program was: FY 2019: 72032-19 DART Property Assessment Industrial

No FTE total change to program 72032 DART Property Assessment Industrial program 8.25 FTE.
Added 1.00 FTE position 705241 Property Appraiser 2 from 72031 Personal Property; Vacant 1.00 FTE position 704432 Property Appraiser 2 moved to 72031 Personal Property program, resulting in no overall FTE change.