



Program #72033 - DART Commercial & Industrial Property Appraisal 5/2/2022

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 Industrial/Commercial/Multi-family (INCOM) Appraisal Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for valuing all Commercial, Multifamily, Local and State Industrial Manufacturing plants, Warehouses, Bulk Petroleum Storage Facilities and Port of Portland properties. The INCOM valuation section is responsible for valuing and maintaining accounts that represent approximately 31% of the total taxable assessed value for the county, upon which taxes are levied for the benefit of all Multnomah County taxing districts and residents.

Program Summary

This program is responsible for maintaining Real Market Values for approximately 22,736 accounts (19,700 Commercial and Multifamily + 3,036 Storage and Distribution Warehouse accounts); 1,172 County and State appraised manufacturing accounts; and 448 billboards. Manufacturers are required to file industrial property returns annually. This requires the annual audit and review of approximately 58,848 machinery, equipment and personal property assets as well as 444 bulk-petroleum storage tanks. In addition to these assignments, a few hundred value appeals are reviewed annually.

Maintaining accurate Real Market Value (RMV) on properties directly affects essential funding for all taxing districts. This program ensures that all Industrial, Commercial and Multi-family properties are valued within State of Oregon standards and taxed under applicable laws. Property taxes account for approximately 60% of the County's General Fund revenues and directly support a number of community-based programs that depend on this revenue. The more properties that can be reviewed by staff each year, the more accurate the inventory and resulting values are. The performance measures for the program specifically seek to measure both the volume of accounts reviewed as well as the relevance of the value for each account as it relates to the market.

Taxpayer access to the program has been enhanced to offer solutions such as; appointments for site visits, telephone consultations, virtual property inspections as well as electronic exchanges of information and digital photography; this included improved website accessibility.

Performance Measures

Measure Type	Primary Measure	FY21 Actual	FY22 Budgeted	FY22 Estimate	FY23 Offer
Output	Number of Industrial Assets Valued	60,228	50,000	50,000	55,000
Outcome	New Exception Real Market Value in MILLIONS;	\$2,759	\$2,500	\$2,500	\$2,500
Efficiency	Percent of Accounts on Automated Recalculation	22.6%	22%	23%	23%
Outcome	Percent Market Groupings with Coefficient Of Dispersion Compliance	87%	92%	90%	90%

Performance Measures Descriptions

Performance is measured by the new value added to the roll, processing of real property returns, and annual audits of machinery, equipment and personal property assets. The efficiency measure reflects how many accounts have been placed on income models, and other automated calculation methods. These property types represent high-value accounts; value reduction on appeal can result in large tax refunds with interest, impacting taxing jurisdictions and their budgets.

Legal / Contractual Obligation

Oregon Revised Statutes (ORS) Chapters 92, 205, 294, 305, 306, 307, 308, 308A, 309, 310 and 321 and Oregon Administrative Rules regulate the assessment and property tax calculation process. Through the County Assessment Function Funding Assistance (CAFFA) Grant process described in ORS 294.175, the DOR determines an acceptable level of staffing. Current DART staffing is minimally adequate to perform statutory functions.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2022	2022	2023	2023
Personnel	\$3,153,284	\$0	\$3,474,330	\$0
Contractual Services	\$2,525	\$0	\$1,975	\$0
Materials & Supplies	\$119,298	\$0	\$131,524	\$0
Internal Services	\$364,792	\$0	\$383,109	\$0
Total GF/non-GF	\$3,639,899	\$0	\$3,990,938	\$0
Program Total:	\$3,639,899		\$3,990,938	
Program FTE	22.50	0.00	23.50	0.00

Program Revenues				
Intergovernmental	\$539,547	\$0	\$577,362	\$0
Total Revenue	\$539,547	\$0	\$577,362	\$0

Explanation of Revenues

Participation in the Oregon Department of Revenue County Assessment Function Funding Assistance (CAFFA) Grant provides reimbursement of approximately 15% 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 \$3,079,265, with \$577,362 allocated to DART Commercial & Industrial Property Appraisal Program. Remaining Program support is provided by General Fund revenues.

Significant Program Changes

Last Year this program was: FY 2022: 72033 DART Commercial & Industrial Property Appraisal

In accordance with public health guidelines and out of an abundance of caution, we have limited in person contact with taxpayers to exterior site visits. Interior site visits are done by appointment only. As a result, using various public data and GIS sources, staff completed a greater number of value review assignments as desk reviews rather than full property site visits.

Transferred 1.00 FTE position 704432 from DART Personal Property Assessment program (72031) to DART Commercial & Industrial Property Appraisal program (72033).