

Department: County Management **Program Contact:** Sally Brown
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Requested
Related Programs:
Program Characteristics: In Target

Executive Summary

The Residential Property Appraisal Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for valuing and appraising all residential-use Real Property, residential converted to commercial use, generic commercial use, personal property floating property, and personal property manufactured homes and all land specially assessed for use as farm, forest and open space. Residential Property represents 62% 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 210,000 single family and two-four family properties; 35,700 condominiums; 4,900 manufactured homes; 1,880 floating properties; 2,750 farm/forest deferral properties; and 1,300 business accounts. Staff physically inspects and appraises 8,000 to 9,000 properties annually due to permits issued for new construction, remodeling or renovation. They also appraise 8,000 to 9,000 properties annually discovered through the sales confirmation process and as having been significantly improved without apparent issuance of building or trade permits.

Under Measure 50, such appraisals add new value for taxing districts beyond the statutorily required 3% increase in the Maximum Assessed Value. Appraisals are also performed to defend values under appeal; and to verify that sales of property are valid market-based transactions that can be used to adjust automated valuation models, to appraise other property, and to generate the annual Ratio Report that measures the effectiveness of the program. This program primarily contributes to the fair and accurate appraisal of residential property as required by the Oregon Revised Statutes (ORS).

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. The program ensures that all residential property is valued in accordance with the law, which maximizes property tax revenues to fund programs for the County and other jurisdictions. Property taxes account for approximately 60% of the County's General Fund revenues.

Various computer and online tools are used to maximize appraisal effort. Focus is on discovery of new taxable property. Accurate values maximize the level of tax assessment allowed under Measure 5 and Measure 50 tax limitation measures.

Performance Measures					
Measure Type	Primary Measure	FY16 Actual	FY17 Purchased	FY17 Estimate	FY18 Offer
Output	Accounts Appraised	17,481	17,000	17,000	17,500
Outcome	New Taxable Exception Value (in millions of dollars)	\$799.2	\$700	\$700	\$720
Efficiency	Accounts Appraised per Appraiser	729	700	700	750
Outcome	% Neighborhood with COD Compliance	98%	98%	98%	98%

Performance Measures Descriptions

Oregon law requires property appraisals to be at 100% of Market Value as of January 1 of each year within standards established by the Oregon Department of Revenue (DOR). One of the primary standards is a statistical measure called the Coefficient of Dispersion (COD). Failure to meet these standards can result in loss of CAFFA grant revenue and program control. The DOR annually reviews compliance through three required reports: The Assessor's Certified Ratio Study, the Assessor's Appraisal Plan and the CAFFA Grant application.

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 Department 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 staffing. The DOR has determined that DART staffing is at the minimally acceptable level to perform their 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	2017	2017	2018	2018
Personnel	\$3,292,221	\$0	\$3,403,680	\$0
Contractual Services	\$10,500	\$0	\$10,500	\$0
Materials & Supplies	\$129,271	\$0	\$131,807	\$0
Internal Services	\$486,888	\$0	\$515,217	\$0
Total GF/non-GF	\$3,918,880	\$0	\$4,061,204	\$0
Program Total:	\$3,918,880		\$4,061,204	
Program FTE	29.60	0.00	31.60	0.00

Program Revenues				
Intergovernmental	\$857,231	\$0	\$976,745	\$0
Total Revenue	\$857,231	\$0	\$976,745	\$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 \$3,715,272 for FY 2018, with \$976,745 allocated to DART Residential Appraisal Program. Remaining Program support is from General Fund Revenues.

Significant Program Changes

Last Year this program was: FY 2017: 72034 DART Residential Property Appraisal

For FY18, transferred 2.00 FTE to Program 72034-18 DART Residential Appraisal, including 1.50 FTE from Program 72030-18 DART Special Programs, and .50 FTE from Program 72038-18 DART Tax Title