

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

**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 211,200 single family and two-four family properties; 37,250 condominiums; 4,900 manufactured homes; 1,890 floating properties; 2,720 farm/forest deferral properties; and 1,200 business accounts. Staff physically inspects and appraises 8,000 to 9,000 properties annually due to permits issued for new construction, remodeling or renovation. Sale ratio is used to identify those accounts with potential changes that could add exception value to accounts where no permits had been issued. Close to 20,000 trade permits are screened using an automated program to identify other permits that could also add new exception value.

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	FY18 Actual	FY19 Purchased	FY19 Estimate	FY20 Offer
Output	Accounts Appraised	18,246	17,500	17,500	18,000
Outcome	New Taxable Exception Value (in millions of dollars)	\$858	\$705	\$750	\$750
Efficiency	Accounts Appraised per Appraiser	760	765	770	790
Outcome	% Neighborhood with COD Compliance	99%	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. 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	\$3,673,931	\$0	\$4,693,354	\$0
Contractual Services	\$500	\$0	\$6,900	\$0
Materials & Supplies	\$140,492	\$0	\$132,650	\$0
Internal Services	\$671,128	\$0	\$690,063	\$0
<b>Total GF/non-GF</b>	<b>\$4,486,051</b>	<b>\$0</b>	<b>\$5,522,967</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$4,486,051</b>		<b>\$5,522,967</b>	
<b>Program FTE</b>	31.00	0.00	39.10	0.00

Program Revenues				
Intergovernmental	\$978,696	\$0	\$1,146,529	\$0
<b>Total Revenue</b>	<b>\$978,696</b>	<b>\$0</b>	<b>\$1,146,529</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 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 \$1,146,529 allocated to DART Residential Appraisal Program. Remaining Program support is from General Fund Revenues.

## Significant Program Changes

**Last Year this program was:** FY 2019: 72034-19 DART Residential Property Appraisal

DART is currently reallocating several positions to increase the staffing level to meet the guidelines as recommended by DOR. A total of 4 appraiser positions are added to Program 72034 Residential Appraisal: One vacant Administration position is being reclassified as an Appraiser 1 and moved from Program 72023 DART Admin to Program 72034 Residential Appraisal and three new Appraiser 1 positions are being created for FY 2020 utilizing existing general fund resources within the Division. Four current Data Entry positions were transferred from Program 72031 Personal Property Assessment to Program 72034 Residential Appraisal. The Chief Appraiser Position and Appraisal supervisor position were both reallocated partially to Program 72030 Special Programs.