

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, multi-family, local and state industrial manufacturing plants, warehouses, bulk petroleum storage facilities and Port of Portland properties. This section represents approximately 31% of the total taxable assessed value.

Program Summary

This program is responsible for maintaining Real Market and Maximum Assessed Value for approximately 22,721 commercial, warehouse and multifamily accounts; 856 County and State appraised manufacturing accounts; and 452 billboards. Manufacturers are required to file industrial property returns annually. This requires the annual audit and review of approximately 57,652 machinery, equipment and personal property assets as well as 444 bulk-petroleum storage tanks.

Maintaining accurate Real Market Values on all property directly affects taxing districts within the County. The program ensures that all Industrial, Commercial and Multi-family properties are 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.

Using the equity lens we have adapted the way we provide access to our services for the benefit of the community members we serve and for staff. This is especially true during COVID. As a result we have modified our operations by offering more flexible solutions such as telephone consultations, virtual property inspections and digital photograph exchanges. We have also adapted our business practices to meet the needs of our staff members by providing accommodation and maximum flexibility to meet their individual work-life balance needs.

Performance Measures

Measure Type	Primary Measure	FY20 Actual	FY21 Budgeted	FY21 Estimate	FY22 Offer
Output	NUMBER OF INDUSTRIAL ASSETS VALUED;	59,157	50,000	55,000	55,000
Outcome	NEW TAXABLE REAL MARKET VALUE EXCEPTION (in millions of dollars)NEW EXCEPTION RMV VALUE IN	\$3,578	\$2,500	\$2,500	\$2,500
Efficiency	% OF ACCOUNTS ON AUTOMATED RECALCULATION: (Accounts Pointed To A Valuation M	21%	20%	20%	22%
Outcome	% MARKET GROUPINGS WITH COD (Coefficient Of Dispersion) COMPLIANCE: (Industrial/Commercial Neig	100%	92%	92%	92%

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. Additional performance efficiency is achieved by converting valuation methodologies to income models, and other automated calculation methods. These properties represent high-value accounts; loss on appeal can result in large tax refunds paid by taxing jurisdiction with interest.

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	2021	2021	2022	2022
Personnel	\$3,064,231	\$0	\$3,175,933	\$0
Contractual Services	\$2,525	\$0	\$2,525	\$0
Materials & Supplies	\$126,250	\$0	\$119,298	\$0
Internal Services	\$338,438	\$0	\$364,792	\$0
Total GF/non-GF	\$3,531,444	\$0	\$3,662,548	\$0
Program Total:	\$3,531,444		\$3,662,548	
Program FTE	22.50	0.00	22.50	0.00

Program Revenues				
Intergovernmental	\$531,077	\$0	\$539,547	\$0
Total Revenue	\$531,077	\$0	\$539,547	\$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 \$3,004,161, with \$539,547 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 2021: 72033 DART Commercial & Industrial Property Appraisal

COVID has impacted our business process significantly with all valuation staff members working remotely. 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 only, and have modified our customer service model to provide virtual solutions for their questions. COVID has also hampered our ability to identify interior remodeling work and has made defending appealed values more challenging.