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|----------------------------|------------------------------------|-------------------------|----------------------|
| Priority: | Accountability | Lead Agency: | Finance Budget & Tax |
| Program Offer Type: | Existing Operating | Program Contact: | Dave Boyer |
| Related Programs: | 70015, 70017, 70018, 70020A, 70021 | | |
| Frameworks: | | | |

Executive Summary

The Property Assessment-Personal Property/Industrial Program is responsible for valuing and appraising all industrial classified property and all taxable business personal property which represents about 10% of the total County-wide assessed value upon which taxes are calculated and levied for the benefit of all Multnomah County taxing districts.

Program Description

This program is responsible for maintaining Real Market Value and Maximum Assessed Value on all Industrial Property accounts and on all taxable Personal Property accounts. The program mails out and processes 600 plus Industrial returns and over 40,000 personal property filing forms used to calculate assessed values of companies business assets. This program is labor intensive because values must be fully recalculated each year to reflect items added or disposed of by businesses and depreciation influence on remaining assets. In compliance with the most recent tax limitation law, Measure 50, the appraisers calculate the new value added to the properties, which adds assessed value for taxing districts beyond the statutorily required 3% increase in the Maximum Assessed Value. The appraisers also perform appraisals in order to defend values under appeal.

Program Justification

This program primarily contributes to the Accountability Priority by assessing personal and industrial property accurately and fairly as required by the Oregon Revised Statutes. The program contributes toward maintaining accurate Real Market Values on all property which affects the maximum bonding capacity and general obligation bond tax rates for all applicable taxing districts in the County.

The program also contributes to all other County priorities by ensuring that all personal and industrial property is valued in accordance with the law which maximizes property tax revenues to fund programs.

Performance Measures

100% of values placed on the assessment roll by the third week in September (deadline prior to tax calculation).

Summary of last year's program results and this year's expected results

For FY05, 98% of the property was valued prior to tax calculation cutoff date. Expect the same level in FY06.

Program Mandate: 2 Mandated Program with Funding/Service Level Choice

Oregon Revised Statutes 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). The DOR determines the acceptable level of Assessment & Taxation staffing. They have determined that the A&T divisions are already at the minimally acceptable staffing level needed to perform its function. 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 | 2005 | 2005 | 2006 | 2006 |
| Personnel | \$517,489 | \$0 | \$623,364 | \$0 |
| Contracts | \$20,000 | \$0 | \$20,000 | \$0 |
| Materials & Supplies | \$10,924 | \$0 | \$13,903 | \$0 |
| Internal Services | \$19,688 | \$0 | \$167,428 | \$0 |
| Subtotal: Direct Exps: | \$568,101 | \$0 | \$824,695 | \$0 |
| Administration | \$0 | \$0 | \$48,940 | \$0 |
| Program Support | \$0 | \$0 | \$1,074,081 | \$0 |
| Subtotal: Other Exps: | \$0 | \$0 | \$1,123,021 | \$0 |
| Total GF/non-GF: | \$568,101 | \$0 | \$1,947,716 | \$0 |
| Program Total: | \$568,101 | | \$1,947,716 | |
| Program FTE | 0.00 | 0.00 | 8.00 | 0.00 |
| Program Revenues | | | | |
| Intergovernmental | \$200,000 | \$0 | \$200,000 | \$0 |
| Program Revenue for Admin | \$0 | \$0 | \$346,399 | \$0 |
| Total Revenue: | \$200,000 | \$0 | \$546,399 | \$0 |

Explanation of Revenues

This program is supported by General Fund revenues. Through participation in the State funded "County Assessment Function Funding Account" (CAFFA) approximately 35% of expenditures are reimbursed.

Significant Program Changes

Current service level budget. FY06 is the first year of a 5 year plan to change the way in which the Multnomah County personal property section processes accounts. The section will increase its efficiency, reduce omitted personal property values and audit more accounts by the following approaches: (1) Gain approval, set up processes and request selected taxpayers to file the personal property return or attachments to the return electronically. (2) Work assignments will be based on major property types or property owners to enable the staff to become more familiar with their property types in terms of typical assets and real market value. (3) Create a process for greater coordination between the personal property and real property appraisers in order to correctly classify and value leasehold improvements and machinery and equipment. A small reorganization moved the locally assessed Industrial Program from a commercial supervisor to the personal property supervisor. The major changes in this program are the transfer of building management and IT related fees that were previously budgeted in division's administration budget as well as Finance and Human Resources Operations now spread to the programs it supports. The transfer of charges amounts to a net increase of approximately \$147,000.