

Priority:	Accountability	Lead Agency:	Finance Budget & Tax
Program Offer Type:	Existing Operating	Program Contact:	Dave Boyer
Related Programs:	70015, 70017, 70018, 70019, 70021		
Frameworks:			

Executive Summary

The Property Assessment-Residential Program is responsible for valuing and appraising all residential use real property which represents 58% of the total taxable 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 219,300 single family residential properties, 5,100 manufactured homes, 1,800 floating homes and houseboats, 15,900 condominiums, and 2,771 farm or forest properties. The program appraises 12,000 to 14,000 properties annually due to permits having been issued for new construction, remodeling or renovation. In addition it appraises 5,000 to 7,000 properties annually discovered through the sales confirmation process as having been significantly improved after issuance of a trade permit that is not being reported to our office or was improved without the issuance of any permit. 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 perform appraisals in order to defend values under appeal. They inspect properties to verify whether the sales represent open market transactions that can then be used as the basis for other appraisals and in the ratio study which assists in measuring the effectiveness of the program.

Program Justification

This program primarily contributes to the Accountability Priority by appraising residential property accurately and fairly as required by the Oregon Revised Statutes. 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 also contributes to all other County priorities by ensuring that all residential property is valued in accordance with the law which maximizes property tax revenues to fund programs.

Performance Measures

Oregon law requires property appraisals to be at 100% of Market Value as of January 1st of each year. This is measured in the annual "Ratio Study", an internal report which compares selling prices to appraised values. The Dept. of Revenue expects the statistical measure, called the co-efficient of dispersion, of the sales price to appraised market value will be less than 10 for urban residential property. The lower the number, the greater the odds that the majority of appraisals are correct.

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

For FY05, 120 out of 147 residential appraisal neighborhoods had a co-efficient of dispersion of 10 or lower. 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	\$1,612,984	\$0	\$1,737,304	\$0
Contracts	\$0	\$0	\$0	\$0
Materials & Supplies	\$35,288	\$0	\$32,510	\$0
Internal Services	\$68,962	\$0	\$342,952	\$0
Subtotal: Direct Exps:	\$1,717,234	\$0	\$2,112,766	\$0
Administration	\$0	\$0	\$132,894	\$0
Program Support	\$0	\$0	\$758,823	\$0
Subtotal: Other Exps:	\$0	\$0	\$891,717	\$0
Total GF/non-GF:	\$1,717,234	\$0	\$3,004,483	\$0
Program Total:	\$1,717,234		\$3,004,483	
Program FTE	0.00	0.00	22.00	0.00
Program Revenues				
Intergovernmental	\$800,000	\$0	\$700,000	\$0
Program Revenue for Admin	\$0	\$0	\$409,639	\$0
Total Revenue:	\$800,000	\$0	\$1,109,639	\$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 will be the final year of the plan to move all residential properties to a calculation table driven appraisal method versus typical trending/indexing. This includes all types of residential properties i.e. 1-4 Family, Manufactured, Floating, and Condominiums. At this point 93% of these properties are now table driven. For FY05 in addition to appraising properties for exception value discovery, the appraiser's will be evaluating the remaining accounts that for various reasons have not yet been placed on a table driven valuation method. The appraisers will become more involved in the process of helping maintain their tables to ensure that accurate market values are placed on the tax roll. 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 \$274,000.