

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Existing Operating **Program Contact:** Randy Walruff
Related Programs: 72020, 72021, 72026, 72027, 72028, 72030, 72031

Program Characteristics:

Executive Summary

The Property Assessment-Residential Program is responsible for valuing and appraising all residential use Real Property. Residential Property 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 208,800 single family and two-four family properties; 18,700 condominiums; 5,000 manufactured homes; 1,800 floating properties; and 2800 farm/forest properties. Staff physically inspects and appraises 12,000 to 14,000 properties annually due to permits issued for new construction, remodeling or renovation. They also appraise 5,000 to 7,000 properties annually discovered through the sales confirmation process as having been significantly improved after issuance of a trade permit and/or improved without 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 represent open market transactions and can be used as the basis for other appraisals and for the annual Ratio/Recalculation Report that measures 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 for the County and other jurisdictions. Property taxes accounted for 28% of the county's overall revenue in 2004-05. Almost all residential accounts have been converted to an automated valuation model with measurably improved results. Focus is on discovery of new taxable property. Various computer and online tools are used to maximize appraisal effort. Accurate values maximize the level of tax assessment allowed under Measure 5 and Measure 50 tax limitation measures.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Accounts Appraised	19,950	22,000	24,000	28,000
Outcome	New Taxable Exception Value	860,151,574	860,000,000	880,000,000	900,000,000
Efficiency	Accounts Appraised Per FTE Appraiser	950	950	1,050	1,120
Outcome	% Neighborhoods with COD Compliance	92%	95%	95%	97%

Performance Measure - Description

Oregon law requires property appraisals to be at 100% of Market Value as of January 1st 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 two reports submitted; the Assessors Certified Ratio Study and the Assessors Appraisal Plan. The DOR's most recent review as of 08/04/05 determined that we are in compliance with standards.

An estimate made regarding new taxable value from Measure 50 exceptions is speculative due to the difficulty in predicting market forces. The accounts appraised per appraiser has been increasing as managers have been working to align resources with goals to achieve maximum allowable taxes using minimum staff necessary through automation, innovation, and focus on core issues.

Legal/Contractual Obligation

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 their functions. Any reduction to this program may jeopardize County Assessment Function Funding Account (CAFFA) grant revenue.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2006	2006	2007	2007
Program Expenses				
Personnel	\$2,025,742	\$0	\$2,192,383	\$0
Materials & Supplies	\$35,398	\$0	\$37,186	\$0
Internal Services	\$352,028	\$0	\$333,042	\$0
Subtotal: Direct Exps:	\$2,413,168	\$0	\$2,562,611	\$0
Administration	\$0	\$0	\$190,920	\$1,792
Program Support	\$0	\$0	\$749,835	\$0
Subtotal: Other Exps:	\$0	\$0	\$940,755	\$1,792
Total GF/non-GF:	\$2,413,168	\$0	\$3,503,366	\$1,792
Program Total:	\$2,413,168		\$3,505,158	
Program FTE	0.00	0.00	26.00	0.00
Program Revenues				
Intergovernmental	\$700,000	\$0	\$800,000	\$0
Program Revenue for Admin	\$0	\$0	\$340,729	\$0
Total Revenue:	\$700,000	\$0	\$1,140,729	\$0

Explanation of Revenues

Through participation in the State-funded CAFFA Grant approximately 35% of expenditures are reimbursed with the remaining support coming from the General Fund.

Significant Program Changes

Last year this program was: #70020A, Property Assessment-Residential (A&T)

The long-term plan to move residential properties to a table-driven calculation appraisal method versus typical trending/indexing is effectively complete with the exception of a computer modification for allocating land value on specially-assessed property to be installed FY06.

For FY 06 four new appraisal positions were added to start a new project to appraise properties with trade permits with the expectation to find omitted value to add to the tax roll. To date hiring has occurred, training is under way, a data base of all trade permits has been received, and field inspections are underway. Results will not be realized until 2007 at which time managers will measure success of this pilot project.