

**Priority:** Accountability **Lead Agency:** County Management  
**Program Offer Type:** Existing Operating **Program Contact:** Kathy Tuneberg  
**Related Programs:** 72020, 72021, 72026, 72027, 72029, 72030, 72031

**Program Characteristics:**

**Executive Summary**

The Property Assessment-Personal Property Program is responsible for valuing and appraising all taxable Business Personal Property accounts. Personal Property represents 5% of the value upon which taxes are 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 taxable Personal Property accounts. Oregon Revised Statutes require annual filings from the over 40,000 personal property taxpayers in the county, of which about 40% are equipment-leasing companies. Filings are reviewed and coded to calculate assessed values of companies' business assets. Values must be fully recalculated each year to reflect items added or disposed of by businesses and to calculate depreciation influence on remaining assets. Appraisers perform field inspections and detailed reviews to identify businesses and properties omitted from the assessment roll. Appraisals are also performed in order to defend values under appeal.

**Program Justification**

This program contributes to the Accountability Priority by assessing Business Personal Property accurately and fairly as required by 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. This program also contributes to all other County priorities by ensuring that all personal property is valued in accordance with the law, which maximizes property tax revenues to fund programs. Property taxes accounted for 28% of the county's overall revenue in 2004-05. Under the Measure 50 tax limitation measure, there is no assumption of a 3% increase in personal property taxable value; instead, each business reports existing taxable property anew each year. Failure to monitor this process will result in loss of taxable assessed value. Focus is on discovery of new taxable property and resolving value appeals to minimize cost to taxpayers, and various computer and online tools are used to maximize appraisal efforts. 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	Number of Non-Leased Accounts Processed, Coded, and Valued	21,500	22,600	22,600	23,000
Outcome	Real Market Value in Millions of Personal Property Value Placed on the Tax Roll	2,273,900	2,300,000	2,400,000	2,450,000
Output	% of Accounts Reviewed and Audited by an Appraiser in the Last Three Years	3%	8%	10%	15%
Output	% Accounts Filing Electronically	0%	0%	4%	4%

**Performance Measure - Description**

Oregon Revised Statutes requires property appraisals to be at 100% of Market Value as of January 1st of each year and that all returns are processed and values placed on the roll by the third week of September. The Department of Revenue (DOR) annually reviews compliance through two reports submitted; the Assessors Certified Ratio Study and the Assessors Appraisal Plan. The DOR's most recent review (August 2005) determined that we are in compliance with standards. Failure to meet these standards can result in loss of County Assessment Function Funding Account (CAFFA) grant revenue and program control.

## 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 its function. Any reduction to this program may jeopardize CAFFA grant revenue.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2006	2006	2007	2007
Personnel	\$623,364	\$0	\$630,552	\$0
Contracts	\$20,000	\$0	\$20,000	\$0
Materials & Supplies	\$13,903	\$0	\$15,536	\$0
Internal Services	\$167,428	\$0	\$154,250	\$0
Subtotal: Direct Exps:	<b>\$824,695</b>	<b>\$0</b>	<b>\$820,338</b>	<b>\$0</b>
Administration	\$0	\$0	\$61,291	\$573
Program Support	\$0	\$0	\$239,959	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$301,250</b>	<b>\$573</b>
Total GF/non-GF:	<b>\$824,695</b>	<b>\$0</b>	<b>\$1,121,588</b>	<b>\$573</b>
Program Total:	<b>\$824,695</b>		<b>\$1,122,161</b>	
Program FTE	0.00	0.00	8.00	0.00
<b>Program Revenues</b>				
Intergovernmental	\$200,000	\$0	\$200,000	\$0
Program Revenue for Admin	\$0	\$0	\$157,174	\$0
<b>Total Revenue:</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$357,174</b>	<b>\$0</b>

## 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:** #70019, Property Assessment-Personal/Industrial Property (A&T)

FY07 is the second year of a five-year plan to change the way in which the personal property section processes accounts. Many program goals were echoed in the August 2005 audit performed by the Multnomah County Auditor. The functions and staff associated with leased personal property have been merged into the Personal Property Section, away from the former Support Section. Results of recent efforts are not yet measurable, and any efficiency gain expected in FY06 and FY07 due to the new electronic filing option are dependent on technological gains in the Business Applications Section.