

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Existing Operating **Program Contact:** Kathy Tuneberg
Related Programs: 72026, 72027, 72033, 72034, 72035, 72036

Program Characteristics:

Executive Summary

The Property Assessment-Special Programs section is responsible for processing all applications for property tax exemption or special assessment and monitoring properties for continued qualification for exemption or special assessment.

Program Description

This program processes over 6,000 applications annually for the Disabled Veteran's and Widows Property Tax Exemption, and the new Active Military Exemption. The program is responsible for over 10,000 accounts with full or partial charitable, fraternal, religious, and other types of exemptions. The program is responsible for specially assessed properties including farm, forest, historic, and numerous other specially assessed programs mandated by law. Questionnaires are mailed and examined to verify continued qualification for reduced assessment of farm land. Ownership records are monitored to identify exempt accounts sold to non-exempt owners. This section monitors leasehold records to maintain accurate taxable values on over 400 accounts where non-exempt tenants lease from exempt government agencies. This program performs 500 to 1000 field inspections in performing its compliance activities. Program staff calculates and redistributes Maximum Assessed Values in compliance with Measure 50 tax limitation requirements for thousands of new properties created each year by subdivisions, new condominiums and consolidation of accounts. This program contributes to the process to arrive at the total taxable assessed value upon which taxes are calculated and levied for the benefit of all Multnomah County taxing districts.

Program Justification

This program contributes to the Accountability Priority by ensuring that exempt and specially assessed property is accurately and fairly assessed as required by the Oregon Revised Statutes (ORS). Maintaining accurate Real Market Values on all property relates to the bonding capacity and general obligation bond tax rates for all applicable taxing districts in the County. This program contributes to all other County priorities by ensuring that all exempt and specially assessed property is valued in accordance with the law, which maximizes property tax revenues to fund programs. Property taxes account for approximately 65% of the County's General Fund revenues. Failure to monitor this process will result in loss of taxable assessed value. Focus is on compliance monitoring of existing exemptions, careful review of new applications, and resolving appeals. 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 (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Exempt Accounts Annually Reviewed for Compliance	2,346	1,200	2,400	2,400
Outcome	Taxable Market Value Re-established to the Roll	546,063,672	250,000,000	250,000,000	250,000,000
Input	Total Exempt Accounts Monitored	33,079	33,500	33,500	33,500

Performance Measure - Description

✔ **Measure Changed**

An estimate made regarding taxable value re-established to the roll is speculative due to the difficulty in predicting market forces. FY2004-05 actual was \$246,048,540. FY2005-06 actual is an historic high due in part to a higher number of high-value accounts with expired exemption status.

Legal/Contractual Obligation

ORS 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). Through the "County Assessment Function Funding Account" (CAFFA Grant) process described in ORS 294.175 the DOR determines the acceptable level of assessment and taxation staffing. The DOR has determined that A&T is already at the minimally acceptable staffing level to perform their 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	2007	2007	2008	2008
Personnel	\$506,494	\$0	\$461,657	\$0
Materials & Supplies	\$5,950	\$0	\$5,732	\$0
Internal Services	\$83,740	\$0	\$78,084	\$0
Subtotal: Direct Exps:	\$596,184	\$0	\$545,473	\$0
Administration	\$51,235	\$487	\$37,692	\$125
Program Support	\$201,935	\$0	\$141,412	\$0
Subtotal: Other Exps:	\$253,170	\$487	\$179,104	\$125
Total GF/non-GF:	\$849,354	\$487	\$724,577	\$125
Program Total:	\$849,841		\$724,702	
Program FTE	7.00	0.00	6.00	0.00
Program Revenues				
Intergovernmental	\$100,000	\$0	\$100,000	\$0
Program Revenue for Admin	\$77,428	\$0	\$58,002	\$0
Total Revenue:	\$177,428	\$0	\$158,002	\$0

Explanation of Revenues

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

Significant Program Changes

Last year this program was: #72026, A&T-Property Assessment- Special Programs

Last year's Performance Measure "% of Accounts Reviewed Placed Back on the Roll" was estimated by a prior employee; there is no reasonable way to track or confirm this number, so it has been dropped. For FY2007, staffing resources have been reorganized to enhance compliance activity by field inspecting an additional 1,000 properties. One A&T Technician 2 position was reclassified to Appraiser 1 and reassigned to Residential Appraisal as part of the program to discover property omitted from the tax rolls.