Multnomah County
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Program # 72035 - A&T-Property Assessment - Residential

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Priority:	Accountability	**Lead Agency:**	County Management
Program Offer Type:	Existing Operating	**Program Contact:**	Kathy Tuneberg
Related Programs:	72026, 72027, 72032, 72033, 72034, 72036, 72037		

Program Characteristics:

Executive Summary

The Property Assessment-Residential Program is responsible for valuing and appraising all residential use Real Property. Residential Property represents 59% 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 210,100 single family and two-four family properties; 22,300 condominiums; 5,000 manufactured homes; 1,800 floating properties; and 2,800 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 4,000 to 5,000 properties annually discovered through the sales confirmation process as having been significantly improved without apparent issuance of building or trade 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 (ORS). 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 account for approximately 65% of the County's General Fund revenues. All residential accounts that reasonably can be 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 (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Accounts Appraised	31,142	28,000	28,000	28,000
Outcome	New Taxable Exception Value in Millions of Dollars	1,377	900	900	1,000
Efficiency	Accounts Appraised Per FTE Appraiser	1,298	1,120	1,120	1,120
Outcome	% Neighborhoods with COD Compliance	99.0%	97.0%	97.0%	98.0%

Performance Measure - Description

✓ Measure Changed

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 2006 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. FY2004-05 actual accounts appraised was 19,950, and actual new taxable value was $860,151,574. FY2005-06 was a historical high; future estimates are based on historical norms. Again, appraisal activity is heavily driven by real estate market activity.

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	$2,167,686	$0	$2,349,203	$0
Materials & Supplies	$37,186	$0	$59,876	$0
Internal Services	$333,042	$0	$386,461	$0
Subtotal: Direct Exps:	**$2,537,914**	**$0**	**$2,795,540**	**$0**
Administration	$190,322	$1,808	$192,978	$639
Program Support	$750,131	$0	$724,005	$0
Subtotal: Other Exps:	**$940,453**	**$1,808**	**$916,983**	**$639**
Total GF/non-GF:	**$3,478,367**	**$1,808**	**$3,712,523**	**$639**
Program Total:	**$3,480,175**		**$3,713,162**	
Program FTE	26.00	0.00	28.00	0.00
Program Revenues				
Intergovernmental	$800,000	$0	$800,000	$0
Program Revenue for Admin	$340,729	$0	$335,763	$0
Total Revenue:	**$1,140,729**	**$0**	**$1,135,763**	**$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: #72029, A&T-Property Assessment - Residential
Performance Measure "New Taxable Exception Value" now expressed in terms of millions of dollars. The long-term plan to move residential properties to a table-driven calculation appraisal method versus typical trending/indexing is effectively complete. In FY06, a computer modification was installed to allocate land value on specially assessed properties; as a result, 25% of this group is also valued with an automated calculation method. 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. Although it is difficult to calculate exactly how much new value resulted directly from this project, overall new value captured in FY07 is up by about $500 million over FY06. The pilot project is considered successful and will continue into the future. Two A&T Technician 2 positions (one from Special Programs and one from Clerical Support) were reclassified to Appraiser 1 and reassigned to Residential Appraisal as part of the program to discover property omitted from the tax rolls.