

**Priority:** Accountability **Lead Agency:** County Management  
**Program Offer Type:** Existing Operating **Program Contact:** Randy Walruff  
**Related Programs:** 72030, 72031, 72035, 72036, 72037, 72038, 72040, 72042, 72043

**Program Characteristics:**

**Executive Summary**

The Property Assessment-Industrial Program is responsible for valuing and appraising all industrial property. Industrial property represents 5% 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 275 county-responsibility industrial properties. In addition, the Industrial Unit reviews and processes value transmittals on over 350 accounts appraised by the Oregon Department of Revenue. All industrial property owners are required to file industrial property returns annually. A number of industrial plants are physically inspected and audited every year. Appraisers perform appraisals to defend values under appeal. Industrial properties are high-value accounts; loss on appeal can result in large tax refunds paid by taxing jurisdictions with interest.

**Program Justification**

This program contributes to the Accountability Priority by appraising industrial 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. This program also contributes to all other County priorities by ensuring that industrial 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. Focus is on proper classification of taxable property and resolving value appeals to minimize cost to taxpayers. Use of various computer and online tools 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 (FY06-07)	Current Year Purchased (FY07-08)	Current Year Estimate (FY07-08)	Next Year Offer (FY08-09)
Output	Number of Industrial Accounts Maintained	276	0	280	280
Outcome	Assessed Value placed on the Tax Roll	375,100,000	0	375,000,000	375,000,000
Efficiency	Percentage of Sites Reviewed For Transfer	20.0%	0.0%	13.0%	13.0%
Output		0	0	0	0

**Performance Measure - Description**

 **Measure Changed**

ORS requires property appraisals to be at 100% of Market Value as of January 1st of each year, with all returns processed and values placed on the roll by the third week of September. The Department of Revenue (DOR) annually reviews compliance through the Assessors Appraisal Plan. The DOR's most recent review in 2007 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. The "Reviewed for Transfer" project began with a list of 75 potentially misclassified sites. The number of actual accounts involved is many more. The law requires that all real property machinery and equipment be classified as industrial property, not personal property. Proper classification also results in more accurate whole plant valuation.

## 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	2008	2008	2009	2009
Personnel	\$0	\$0	\$391,660	\$0
Contracts	\$0	\$0	\$10,224	\$0
Materials & Supplies	\$0	\$0	\$5,456	\$0
Internal Services	\$0	\$0	\$49,115	\$0
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$456,455</b>	<b>\$0</b>
Administration	\$28,892	\$96	\$30,429	\$52
Program Support	\$196,294	\$0	\$180,901	\$0
Subtotal: Other Exps:	<b>\$225,186</b>	<b>\$96</b>	<b>\$211,330</b>	<b>\$52</b>
Total GF/non-GF:	<b>\$225,186</b>	<b>\$96</b>	<b>\$667,785</b>	<b>\$52</b>
Program Total:	<b>\$225,282</b>		<b>\$667,837</b>	
Program FTE	4.20	0.00	4.20	0.00
<b>Program Revenues</b>				
Intergovernmental	\$0	\$0	\$113,400	\$0
Program Revenue for Admin	\$63,085	\$0	\$62,951	\$0
<b>Total Revenue:</b>	<b>\$63,085</b>	<b>\$0</b>	<b>\$176,351</b>	<b>\$0</b>

## 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

✔ Significantly Changed

**Last year this program was:** #72033, A&T-Property Assessment - Commercial

Last year this program was included in the Commercial program offer. It has been split off into its own offer to better monitor program performance and budget expenditures. Four positions were moved into this cost center, along with an allocated portion of the Assessment Manager position.