Multnomah County
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Program # 72040 - DCM - A&T-Assessment & Collection -Personal Property — Version 6/25/2008 s

Priority:	Accountability	**Lead Agency:**	County Management
Program Offer Type:	Existing Operating	**Program Contact:**	Randy Walruff
Related Programs:	72030, 72031, 72035, 72037, 72038, 72039, 72041, 72042, 72043		

Program Characteristics:

Executive Summary

The Property Assessment & Collection-Personal Property Program is responsible for valuing and collecting 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. Collection staff monitor and pursue for collection delinquent business and other personal property taxes.

Program Justification

This program contributes to the Accountability Priority by assessing Business Personal Property accurately and fairly as required by 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 all personal 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. 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 and tax revenue. 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 (FY06-07)	Current Year Purchased (FY07-08)	Current Year Estimate (FY07-08)	Next Year Offer (FY08-09)
Output	Number of Non-Leased Accounts Processed, Coded and Valued	22,892	23,000	23,000	23,000
Outcome	Assessed Value in Millions of Personal Property Value Placed on the Tax Roll	2,520	2,450	2,500	2,500
Output	% of Accounts Reviewed by an Appraiser in the Last Three Years	15.0%	15.0%	12.0%	7.0%
Output	% of Accounts Filing Electronically	1.6%	1.0%	1.0%	1.0%

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 goal to review the top 15% of accounts over 3 years (25% over 5 years) is considered primarily complete and successful. 80 to 90% of the highest-dollar accounts have been reviewed. In the future, emphasis will shift to hiring an auditor who will focus on the discovery of omitted property. The title was changed on the "Outcome" measure from "Real Market Value" to "Assessed Value" because Assessed Value is what we had been reporting (the title was in error).

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	$704,916	$0	$990,821	$0
Contracts	$20,000	$0	$91,000	$0
Materials & Supplies	$10,681	$0	$10,756	$0
Internal Services	$166,188	$0	$214,614	$0
Subtotal: Direct Exps:	**$901,785**	**$0**	**$1,307,191**	**$0**
Administration	$155,130	$514	$87,406	$149
Program Support	$609,248	$0	$478,772	$0
Subtotal: Other Exps:	**$764,378**	**$514**	**$566,178**	**$149**
Total GF/non-GF:	**$1,666,163**	**$514**	**$1,873,369**	**$149**
Program Total:	**$1,666,677**		**$1,873,518**	
Program FTE	12.20	0.00	12.20	0.00
Program Revenues				
Intergovernmental	$200,000	$0	$378,000	$0
Program Revenue for Admin	$247,643	$0	$170,521	$0
Total Revenue:	**$447,643**	**$0**	**$548,521**	**$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

✓ **Significantly Changed**

Last year this program was: #72034, A&T-Property Assessment - Business Personal Property

Business Personal Property FY09 is the fourth 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. FY06 was the first year that electronic filing was offered to select businesses with the highest personal property values, with a 10% response rate. The opportunity was offered to a much larger group of filers in FY08 with results as yet unknown. This project targets the small percentage of taxpayers who pay 90% of the taxes; converting 5% of accounts to electronic filing would be a significant achievement. In considering organizational structure it was determined that Personal Property Appraisal and Personal Property Collection should be combined into one unit. The expectation is greater efficiency through alignment of valuation and collection efforts, crosstraining, and up-to-date, shared information regarding customer accounts. This is expected to improve collection of delinquent accounts - 3.0 FTE were transferred to this program. In addition, a portion of the Assessment Manager position is allocated to this program.