

**Priority:** Accountability **Lead Agency:** County Management  
**Program Offer Type:** Existing Operating **Program Contact:** Randy Walruff  
**Related Programs:** 72030, 72031, 72035, 72036, 72037, 72039, 72040, 72041, 72042, 72043

**Program Characteristics:**

**Executive Summary**

The Property Assessment-Commercial Program is responsible for valuing and appraising all commercial and multi-family property. Commercial property represents 25% 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 28,000 commercial and multi-family properties. Staff physically inspects and appraises 1,300 properties annually due to permits having been issued for new construction, remodeling or renovation. Under Measure 50, these appraisals add new value for taxing districts beyond the statutorily required 3% increase in Maximum Assessed Value. Appraisers also perform appraisals to defend values under appeal. They inspect properties to verify whether the sales represent open market transactions that can then 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 contributes to the Accountability Priority by appraising commercial 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 commercial 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. Newly converted automated appraisal models are used to increase efficiency. Focus is on discovery of new 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	Accounts Appraised	1,274	1,300	1,300	1,300
Outcome	New Taxable Exception Value in millions	1,750	530	530	500
Efficiency	% Automated Recalculation	23.0%	30.0%	25.0%	25.0%
Outcome	% Market Groupings with COD Compliance	71.0%	65.0%	60.0%	60.0%

**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 County Assessment Function Funding Account (CAFFA) grant revenue and program control. 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 in 2007 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 Industrial Valuation Unit that was formerly part of this program offer has been split into its own offer for FY2009. This will change the performance outcomes for this offer, especially in terms of new exception value added to the rolls.

## 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
<b>Program Expenses</b>	2008	2008	2009	2009
Personnel	\$983,804	\$0	\$680,687	\$0
Contracts	\$30,936	\$0	\$45,336	\$0
Materials & Supplies	\$18,582	\$0	\$15,391	\$0
Internal Services	\$157,605	\$0	\$101,196	\$0
Subtotal: Direct Exps:	<b>\$1,190,927</b>	<b>\$0</b>	<b>\$842,610</b>	<b>\$0</b>
Administration	\$53,657	\$178	\$56,184	\$96
Program Support	\$358,389	\$0	\$293,608	\$0
Subtotal: Other Exps:	<b>\$412,046</b>	<b>\$178</b>	<b>\$349,792</b>	<b>\$96</b>
Total GF/non-GF:	<b>\$1,602,973</b>	<b>\$178</b>	<b>\$1,192,402</b>	<b>\$96</b>
Program Total:	<b>\$1,603,151</b>		<b>\$1,192,498</b>	
Program FTE	7.40	0.00	7.40	0.00
<b>Program Revenues</b>				
Intergovernmental	\$500,000	\$0	\$226,800	\$0
Program Revenue for Admin	\$111,444	\$0	\$99,356	\$0
<b>Total Revenue:</b>	<b>\$611,444</b>	<b>\$0</b>	<b>\$326,156</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 included Commercial, Multi-Family, and Industrial-use real property; FY2009 separates Industrial-use real property from Commercial and Multi-Family properties. A portion of the Valuation Manager position is allocated to this program.