Multnomah County
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Program # 72044 - DCM-DART- Personal Property Assessment & Collection — Version 7/08/2009 s

Priority: Accountability
Lead Agency: County Management
Program Offer Type: Existing Operating
Program Contact: Rick Teague
Related Programs: 72036, 72037, 72038, 72040, 72042, 72043, 72045, 72046, 72048A, 72049, 72050
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 23,000 businesses in the county, comprising more than 40,000 accounts. 40% of those accounts 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 assesses 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 ensures 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 (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Number of Non-Leased Accounts Processed, Coded and Valued	23,330	23,000	23,000	23,000
Outcome	Assessed Value in Millions of Personal Property Value Placed on the Tax Roll	2,547	2,500	2,500	2,400
Output	% of Accounts Reviewed by an Appraiser in the Last Three Years	13.0%	7.0%	7.0%	7.0%
Output	% of Accounts Filing Electronically /	5.7%	1.0%	6.0%	6.0%

Performance Measure - Description

Oregon Revised Statutes 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. We continue to review the top value accounts. We hired an auditor in 2008 who will focus on auditing and discovery of omitted property. Decreases in estimated number of accounts processed and assessed value for 09/10 are due to anticipated declining economic conditions.

Legal/Contractual Obligation

Oregon Revised Statutes (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 (A&T)staffing. The DOR has determined that DART is already at the minimally acceptable staffing level to perform their A&T functions. 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	2009	2009	2010	2010
Personnel	$990,821	$0	$1,106,829	$0
Contracts	$91,000	$0	$89,000	$0
Materials & Supplies	$10,756	$0	$8,885	$0
Internal Services	$214,614	$0	$217,904	$0
Subtotal: Direct Exps:	**$1,307,191**	**$0**	**$1,422,618**	**$0**
Administration	$103,602	$151	$130,946	$0
Program Support	$572,278	$0	$496,152	$0
Subtotal: Other Exps:	**$675,880**	**$151**	**$627,098**	**$0**
Total GF/non-GF:	**$1,983,071**	**$151**	**$2,049,716**	**$0**
Program Total:	**$1,983,222**		**$2,049,716**	
Program FTE	12.20	0.00	12.60	0.00
Program Revenues				
Fees, Permits & Charges	$0	$0	$0	$0
Intergovernmental	$378,000	$0	$301,200	$0
Program Revenue for Admin	$188,192	$0	$138,985	$0
Total Revenue:	**$566,192**	**$0**	**$440,185**	**$0**

Explanation of Revenues

Through participation in the State funded County Assessment Function Funding Account (CAFFA) Grant, approximately 25% of actual expenditures are reimbursed with remaining support coming from General Fund revenues.

Significant Program Changes

✓ Significantly Changed

Last year this program was: #72040, DCM - A&T-Assessment & Collection -Personal Property
#72034, A&T-Property Assessment - Business Personal Property. The Personal Property Program Supervisor position was reclassified to a Program Manager 1 in charge of Industrial and Personal Property. Staffing changes involved transferring an A&T Tech 2 from Personal Property to Industrial and adding an A&T Tech 1 to Personal Property creating flexability and allowing for more effective utilization of staff. An Operations Supervisor was added to coordinate daily operations. In FY08 we began conversion to an Adds/Deletes reporting system to simplify filing for taxpayers as well as streamline processing for the County. The conversion will result in significant efficiencies and position us well for implementing future technological innovations. We expect full conversion by FY11.