

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Existing Operating **Program Contact:** Rick Teague
Related Programs: 72036, 72037, 72039, 72042, 72043, 72044, 72046, 72048A, 72050

Program Characteristics:

Executive Summary

The Property Assessment-Industrial Program is responsible for valuing, appraising and/or maintaining all local and state industrial property. Industrial property represents approximately 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 and maintenance of 370 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 appraises 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 ensures 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 (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Number of Industrial Accounts Maintained	645	280	650	650
Outcome	Assessed Value placed on the Tax Roll (in millions)	2,695	375	2,500	2,500
Efficiency	Percentage of Sites Reviewed For Transfer	20.0%	13.0%	13.0%	15.0%

Performance Measure - Description

 **Measure Changed**

Oregon Revised Statutes (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. Failure to meet 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. Proper classification is required by law and results in more accurate whole plant valuation. Program measures "Accounts Maintained" and "Assessed Value Placed on Roll" have been revised to include both state and county-responsibility industrial sites in order to better reflect the contribution of this program.

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
	2009	2009	2010	2010
Program Expenses				
Personnel	\$391,660	\$0	\$513,753	\$0
Contracts	\$10,224	\$0	\$9,065	\$0
Materials & Supplies	\$5,456	\$0	\$6,800	\$0
Internal Services	\$49,115	\$0	\$51,883	\$0
Subtotal: Direct Exps:	\$456,455	\$0	\$581,501	\$0
Administration	\$41,450	\$62	\$53,504	\$0
Program Support	\$158,337	\$0	\$118,495	\$0
Subtotal: Other Exps:	\$199,787	\$62	\$171,999	\$0
Total GF/non-GF:	\$656,242	\$62	\$753,500	\$0
Program Total:	\$656,304		\$753,500	
Program FTE	4.20	0.00	5.40	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$0	\$0	\$0
Intergovernmental	\$113,400	\$0	\$122,100	\$0
Program Revenue for Admin	\$52,201	\$0	\$38,280	\$0
Total Revenue:	\$165,601	\$0	\$160,380	\$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: #72039, DCM - A&T-Property Assessment-Industrial

The Personal Property Program Supervisor was reclassified during FY09 to a Program Manager 1 managing the Personal Property and Industrial Programs. 0.4 FTE is being allocated to the Industrial Program. An A&T Tech 2 was transferred to Industrial to support the supervisor and appraisers so they can focus on more high dollar accounts. In addition the Tech 2 will coordinate with the Dept of Revenue concerning the value transmittals of all State assessed industrial properties.