Multnomah County
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Program # 72046 - DCM-DART-Commercial Property Appraisal — Version 7/08/2009 s

Priority: Accountability
Lead Agency: County Management
Program Offer Type: Existing Operating
Program Contact: Rene Grier
Related Programs: 72036, 72037, 72042, 72043, 72045, 72047, 72048A, 72050
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 26,000 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 accurate and fair appraisal of commercial property 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 ensures 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 (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Accounts Appraised	1,268	1,300	1,300	1,200
Outcome	New Taxable Exception Value in millions	1,156	500	500	500
Efficiency	% Automated Recalculation	23.0%	25.0%	25.0%	25.0%
Outcome	% Market Groupings with COD Compliance	88.0%	60.0%	60.0%	70.0%

Performance Measure - Description

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 2008 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.

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 staffing is at the minimally acceptable 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	$680,687	$0	$807,177	$0
Contracts	$45,336	$0	$48,132	$0
Materials & Supplies	$15,391	$0	$15,050	$0
Internal Services	$101,196	$0	$95,410	$0
Subtotal: Direct Exps:	**$842,610**	**$0**	**$965,769**	**$0**
Administration	$69,825	$103	$88,895	$0
Program Support	$281,498	$0	$210,434	$0
Subtotal: Other Exps:	**$351,323**	**$103**	**$299,329**	**$0**
Total GF/non-GF:	**$1,193,933**	**$103**	**$1,265,098**	**$0**
Program Total:	**$1,194,036**		**$1,265,098**	
Program FTE	7.40	0.00	8.30	0.00
Program Revenues				
Fees, Permits & Charges	$0	$0	$0	$0
Intergovernmental	$226,800	$0	$203,700	$0
Program Revenue for Admin	$90,602	$0	$66,581	$0
Total Revenue:	**$317,402**	**$0**	**$270,281**	**$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: #72038, DCM - A&T-Property Assessment-Commercial
The former Valuation Manager position (of which 40% was allocated to this program) was renamed as Assessment Manager Sr. and was reassigned to the Administration Program. The former Assessment Manager position (which had managed Personal Property, Industrial and Special Programs) was renamed Valuation Manager and transferred over over this program (30%)and Residential (40%). An Appraiser 2 position was moved from Residential to this program.