Multnomah County
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Program # 72047 - DCM-DART- Residential 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, 72041, 72042, 72043, 72046, 72048A, 72049, 72050
Program Characteristics:

Executive Summary

The Residential Appraisal Program is responsible for valuing and appraising all residential use Real Property. Residential Property represents 61% 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 212,300 single family and two-four family properties; 33,670 condominiums; 4,900 manufactured homes; 1,800 floating properties; and 2,900 farm/forest properties. Staff physically inspects and appraises 12,000 to 14,000 properties annually due to permits issued for new construction, remodeling or renovation. They also appraise 4,000 to 5,000 properties annually discovered through the sales confirmation process as having been significantly improved without apparent issuance of building or trade permits. Under Measure 50, such appraisals add new value for taxing districts beyond the statutorily required 3% increase in the Maximum Assessed Value. Appraisals are also performed to defend values under appeal, and also to verify that sales represent open market transactions that can be used for other appraisals and for the annual Ratio/Recalculation Report that measures the effectiveness of the program.

Program Justification

This program primarily contributes to the fair and accurate appraisal of residential 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. The program ensures that all residential property is valued in accordance with the law, which maximizes property tax revenues to fund programs for the County and other jurisdictions. Property taxes account for approximately 65% of the County's General Fund revenues. All residential accounts that reasonably can be have been converted to an automated valuation model with measurably improved results. Focus is on discovery of new taxable property. Various computer and online tools are used to maximize appraisal effort. 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	32,060	26,000	26,000	25,000
Outcome	New Taxable Exception Value in Millions of Dollars	1,867	1,000	1,000	1,000
Efficiency	Accounts Appraised Per FTE Appraiser	1,336	1,100	1,100	1,100
Outcome	% Neighborhoods with COD Compliance	97.0%	98.0%	98.0%	98.0%

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 CAFFA grant revenue and program control. The DOR annually reviews compliance through two reports submitted: The Assessors Certified Ratio Study and the Assessors Appraisal Plan. The DOR's most recent review as of 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 accounts appraised per appraiser has been increasing as managers have been working to align resources with goals to achieve maximum allowable taxes using minimum staff necessary through automation, innovation, and focus on core issues. As the real estate market slows, attention can be focused on improving appraisal models which leads to increased COD compliance and maximized tax assessment.

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 satffing 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	$2,482,328	$0	$2,688,909	$0
Contracts	$0	$0	$0	$0
Materials & Supplies	$78,399	$0	$92,630	$0
Internal Services	$405,500	$0	$335,921	$0
Subtotal: Direct Exps:	**$2,966,227**	**$0**	**$3,117,460**	**$0**
Administration	$228,216	$332	$287,000	$0
Program Support	$871,478	$0	$652,751	$0
Subtotal: Other Exps:	**$1,099,694**	**$332**	**$939,751**	**$0**
Total GF/non-GF:	**$4,065,921**	**$332**	**$4,057,211**	**$0**
Program Total:	**$4,066,253**		**$4,057,211**	
Program FTE	28.60	0.00	29.40	0.00
Program Revenues				
Fees, Permits & Charges	$0	$0	$0	$0
Intergovernmental	$869,400	$0	$657,900	$0
Program Revenue for Admin	$285,174	$0	$209,144	$0
Total Revenue:	**$1,154,574**	**$0**	**$867,044**	**$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: #72041, DCM - A&T-Property Assessment- Residential

The former Valuation Manager position (of which 60% 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 this program (40%)and Commercial (30%). An Appraiser 2 position was moved from this program to Commercial. Two vacant positions (an A&T Tech 1 and A&T Tech 2) were transferred into this program and reclassified to Appraiser 1.