Multnomah County
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Program # 72044 - DCM - DART Personal Property Assessment & Collection — Version 3/05/2010 s

Lead Agency: County Management — **Program Contact:** Rick Teague

Program Offer Type: Existing Operating

Related Programs: 72036, 72037, 72038, 72040, 72042, 72043, 72045, 72046, 72048, 72049, 72050

Program Characteristics:

Executive Summary

The Personal Property Assessment and Collection Program, within the Division of Assessment, Recording and Taxation (DART), 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. 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 performed to defend values under appeal. Collection staff monitor, and pursue for collection, delinquent business and other personal property taxes. This program assesses Personal Property accurately and fairly as required by Oregon Revised Statutes (ORS), maximizing property tax revenues to fund programs. 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. 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 annually reports existing taxable property. 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. 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 (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Number of Non-Leased Accounts Processed, Coded and Valued	23,330	23,000	23,300	23,300
Outcome	Assessed Value in Millions of Personal Property Value Placed on the Tax Roll	2,547	2,400	2,497	2,450
Output	% of Accounts with Captured Asset Listings	42.0%	0.0%	55.0%	60.0%
Output	% of Accounts Filing Electronically	5.7%	6.0%	8.0%	9.0%

Performance Measure - Description

Oregon Revised Statutes requires appraisals to be at 100% of Market Value as of January 1st of each year, with all returns processed and valued 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 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 have increased our focus on improving efficiencies and better utilization of technology. Previously we measured the number of accounts reviewed; we feel the new measure showing the % of accounts with captured asset lists is a better reflection of our focus on efficiency and accuracy in filing. We have begun a project to capture the annual asset listings from businesses in a database and return them to the business each year for updating. In addition, larger businesses are encouraged to file their asset lists electronically. These take less time to process, reduce our costs, improve our accuracy, and reduce the need for account review.

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	2010	2010	2011	2011
Personnel	$928,683	$0	$963,023	$0
Contracts	$89,000	$0	$107,850	$0
Materials & Supplies	$8,885	$0	$8,990	$0
Internal Services	$217,568	$0	$225,450	$0
Total GF/non-GF:	**$1,244,136**	**$0**	**$1,305,313**	**$0**
Program Total:	**$1,244,136**		**$1,305,313**	
Program FTE	10.75	0.00	10.75	0.00
Program Revenues				
Intergovernmental	$301,200	$0	$336,000	$0
Total Revenue:	**$301,200**	**$0**	**$336,000**	**$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

Last year this program was: #72044, DCM-DART- Personal Property Assessment & Collection
Through Division reorganization a Senior Valuation Manager is now in charge of the Industrial/Personal Property and Special Program sections. .15 FTE has been allocated to the Personal Property Program. 1 FTE, AT Tech 2, was transferred to Commercial Appraisal Program. 1 Vacant FTE was transferred to the new DCM Business Services Program, including FTE and budget history. Net change for the Program was a loss of 1.85 FTE.