

**Lead Agency:** County Management

**Program Contact:** Sally Brown

**Program Offer Type:** Existing Operating

**Related Programs:** 72036, 72040

**Program Characteristics:** In Target

**Executive Summary**

The Tax Title Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for the management and disposition of the County's tax foreclosed property inventory. The County's foreclosed property portfolio consists of slightly less than 390 properties. Every year, 15 to 20 properties are deeded to the county in the fall with the taking of the Tax Foreclosure Deed. Of the current inventory, approximately 73% of the properties are strips of various sizes, 24% are vacant lots that are mostly irregular in shape and not buildable, and 3% are properties with improvements or structures sited on them. Properties are sold at public auction and by entering into private sales with adjacent owners. The inventory is also reduced by transferring properties to government agencies, non-profit housing developers, and non-profit corporations for public use.

**Program Description**

The County comes into ownership of real property, bare land and those with improvements, at least once a year through the foreclosure of delinquent property tax liens. The foreclosed properties are placed into the Tax Title inventory of properties that have been acquired through tax foreclosure. Multnomah County Code Chapter 7 specifically states how tax foreclosed properties are to be managed and the process to be used for disposition. Shortly after the properties come into Tax Title inventory they are made available for repurchase to the former owners of record. Some properties not repurchased and odd shaped parcels not suitable for construction are made available to government agencies within the county for transfer. Depending on availability, selected properties consisting of vacant land that is buildable and parcels with improvements, are made available to the Affordable Housing Development Program for low income housing purposes. Properties with certain desired environmental characteristics not requested by government are made available to other organizations. Any remaining properties are available to be sold at public auction or private sale. In recent years, the number of properties deeded to the County through tax foreclosure has averaged 15 to 20 parcels. All properties are responsibly managed to insure that the surrounding neighborhood is not negatively affected. Tax Title maintains communication with other government agencies within the County to insure that all foreclosed properties comply with current nuisance and building codes. A goal is to sell or transfer as many Tax Title properties as possible to place them back on the tax roll so they once again become an integral part of the neighborhood. When a Tax Title property is occupied by an individual with human services needs we work with the County's Department of County Human Services, Aging & Disability Services Division to arrive at practical solutions acceptable to all parties.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY09-10)	Current Year Purchased (FY10-11)	Current Year Estimate (FY10-11)	Next Year Offer (FY11-12)
Output	Properties remaining in Tax Title Inventory	381	388	361	349
Outcome	Properties placed back on the tax roll & into community use	13	40	39	30
Outcome	Revenue disbursed to taxing districts for public use	188,187	20,000	400,000	356,400

**Performance Measure - Description**

The main goal of the program is to reinstate properties received through tax foreclosure back onto the tax roll. This is accomplished by sales to the public and government agencies. A parallel goal is to place foreclosed properties into public use which is accomplished by transfer to government agencies and non-profit corporations. At the end of every budget year, the Tax Title revenues are totaled, operating expenses and passthrough expenses for liens and other obligations are accounted for, and the balance of revenue is disbursed to taxing districts within the county. For FY2011 under current year purchased, the amount estimated for revenues in excess of expenses, for disbursement to taxing districts, was understated by \$380,000

## Legal/Contractual Obligation

Oregon Revised Statutes (ORS) 275 details how counties have to manage & dispose of tax foreclosed properties. ORS 312 details the foreclosure process & responsibilities of the county to include providing guidance on how the redemption period can be reduced when there is evidence of waste and abandonment. ORS 271 provides information on how counties are allowed to transfer foreclosed properties to non-profits & government agencies. ORS 98 details the processes to follow when there is abandoned property & vehicle at a foreclosed property. Multnomah County Code Chapter 7 specifically state how tax foreclosed properties are to be managed and the process to be used for disposition.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2011	2011	2012	2012
Personnel	\$78,066	\$0	\$120,668	\$0
Contracts	\$368,260	\$0	\$438,646	\$0
Materials & Supplies	\$61,500	\$0	\$38,199	\$0
Internal Services	\$29,660	\$0	\$15,787	\$0
Total GF/non-GF:	<b>\$537,486</b>	<b>\$0</b>	<b>\$613,300</b>	<b>\$0</b>
Program Total:	<b>\$537,486</b>		<b>\$613,300</b>	
Program FTE	1.00	0.00	1.30	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$329,477	\$0	\$564,300	\$0
Intergovernmental	\$7,000	\$0	\$0	\$0
Taxes	\$45,000	\$0	\$24,000	\$0
Other / Miscellaneous	\$156,009	\$0	\$25,000	\$0
<b>Total Revenue:</b>	<b>\$537,486</b>	<b>\$0</b>	<b>\$613,300</b>	<b>\$0</b>

## Explanation of Revenues

The Program has to be financially self sustaining. Program revenues include contract principle estimated at \$24,000 and interest on contracts and repurchases est. at \$25,000. Sales of properties at auction, private sales and repurchases are estimated at \$564,200. When actual revenues exceed the program's operating costs, the balance is distributed to taxing districts in Multnomah County, in accordance with ORS 275.275, per formula provided in ORS 311.390.

## Significant Program Changes

✔ Significantly Changed

### Last year this program was:

Allocated management positions to reflect actual program requirements over the past year. Allocated .25 FTE Program Manager 1 and .10 FTE Sr. Valuation Manager. Net overall increase of .35 FTE for this program.