

**Lead Agency:** County Management

**Program Contact:** Gary Bartholomew

**Program Offer Type:** Existing Operating

**Related Programs:** 72023, 72024, 72030, 72031, 72035, 72037, 72038

**Program Characteristics:**

**Executive Summary**

The Tax Revenue Management Program administers the County Tax Collector responsibilities. The program manages the collection, accounting and distribution of property tax revenues and assessments for over 60 Multnomah County taxing districts and several state agencies. Revenue from interest on past due taxes is also accounted for and a portion distributed to the County Assessment and Taxation Fund.

**Program Description**

The Tax Revenue Management Program sends property tax statements, collects current and delinquent real and personal property taxes and various fees, issues property tax refunds, distributes tax revenues to taxing districts, and performs accounting, auditing and reporting services. The program processes foreclosures, tax roll corrections, bank adjustments, senior and disabled citizen tax deferral applications, and manufactured structure ownership changes. 370,000 tax statements are sent annually and \$1.25 billion in property taxes is levied for collection. Approximately 400,000 payment and accounting transactions are processed annually.

This program collects and distributes property taxes in a timely, efficient and equitable manner. The program provides responsive, accurate, quality customer service to taxpayers and other government agencies while complying with property tax laws. The program continuously monitors service delivery options available for possible enhancements. Tax statement printing costs have been significantly reduced through streamlining and outsourcing. Payment processing hardware and software is currently being replaced and is expected to result in cost savings and efficiencies. Customer use of electronic payment continues to increase. Credit card options and payment by phone have been implemented. Roll corrections and issuance of tax refunds are monitored closely to minimize the amount of interest paid on refunds. Legislation (2013) is being proposed for efficiencies and improvements. Delinquencies are monitored closely and addressed effectively. A new assessment and taxation computer system scheduled to go live in 2014 is expected to increase efficiency and customer service.

**Performance Measures**

| Measure Type | Primary Measure                                     | Previous Year Actual (FY11-12) | Current Year Purchased (FY12-13) | Current Year Estimate (FY12-13) | Next Year Offer (FY13-14) |
|--------------|---|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output       | Property Tax Statements Issued                      | 360,639                        | 370,000                          | 365,000                         | 365,000                   |
| Outcome      | Percentage of Current Year Property Taxes Collected | 96.9%                          | 97.2%                            | 97.2%                           | 97.2%                     |
| Outcome      | Tax Collected Via Electronic Payment (in Dollars)   | 44,519,075                     | 55,000,000                       | 50,000,000                      | 55,000,000                |

**Performance Measure - Description**

Property Tax Statements Issued each year includes the November, February, May trimesters and the delinquent real property statements.

## Legal/Contractual Obligation

Functions in this program are required under Oregon Revised Statutes (ORS) Chapters 311 and 312. Additionally, ORS 306.115 assigns statewide general supervision of the property tax system to the Oregon Department of Revenue (DOR). Through the "County Assessment Function Funding Assistance" (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 the staffing level for DART is already at the minimally acceptable level to perform their functions. Any reduction to this program may jeopardize this grant revenue. The County as an agent of the State carries out the functions under ORS 446.566 to ORS 446.646 related to mobile home ownership document transactions and trip permits.

## Revenue/Expense Detail

|                         | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
| <b>Program Expenses</b> | 2013                  | 2013                 | 2014                  | 2014                 |
| Personnel               | \$1,007,683           | \$0                  | \$1,056,447           | \$0                  |
| Contracts               | \$146,900             | \$0                  | \$142,925             | \$0                  |
| Materials & Supplies    | \$125,276             | \$0                  | \$61,494              | \$0                  |
| Internal Services       | \$457,758             | \$0                  | \$459,329             | \$0                  |
| <b>Total GF/non-GF:</b> | <b>\$1,737,617</b>    | <b>\$0</b>           | <b>\$1,720,195</b>    | <b>\$0</b>           |
| <b>Program Total:</b>   | <b>\$1,737,617</b>    |                      | <b>\$1,720,195</b>    |                      |
| Program FTE             | 11.50                 | 0.00                 | 11.50                 | 0.00                 |
| <b>Program Revenues</b> |                       |                      |                       |                      |
| Fees, Permits & Charges | \$384,400             | \$0                  | \$402,800             | \$0                  |
| Intergovernmental       | \$338,106             | \$0                  | \$379,595             | \$0                  |
| Other / Miscellaneous   | \$250                 | \$0                  | \$500                 | \$0                  |
| <b>Total Revenue:</b>   | <b>\$722,756</b>      | <b>\$0</b>           | <b>\$782,895</b>      | <b>\$0</b>           |

## Explanation of Revenues

Participation in the Oregon Department of Revenue County Assessment Function Funding Assistance (CAFFA) Grant, which supports Assessment & Taxation Programs, provides reimbursement of approximately 25% of Assessment & Taxation program expenditures, and can vary depending upon the overall state-wide CAFFA pool and the allocated percentage to each participating county. Total annual Multnomah County share of CAFFA is estimated at \$3,950,000 for FY14, with \$379,595 allocated to DART Tax Revenue Management Program.

Program revenues of \$403,300 are from service fees, including foreclosure publication fees, title search fees, exemption late filing fees, delinquent personal property tax warrant and warrant recording fees, manufactured structure ownership transfer fees and trip permit fees, and miscellaneous tax collection and copy fees. Service fees are required by Oregon Revised Statutes and County Fee Ordinance, and may vary in volume depending upon economic influences, and some are linked to the volume of delinquent property taxes. The County serves as an agent of the State, and pursuant to an IGA, accepts payment on behalf of the State for mobile home ownership document transactions (\$55) and trip permits (\$5). The County is allowed to retain \$30 for each ownership document transaction completed, and all of the trip permit fees collected; total annual fees vary by volume of transactions. Exemption late filing fees may vary depending upon the timeliness of applications each year. The volume of service fees and other revenues is based upon historical averages. Remaining Program support is provided by General Fund revenues.

## Significant Program Changes

Last year this program was: #72027, DART Tax Revenue Management