

Lead Agency: County Management

Program Contact: Rick Teague

Program Offer Type: Existing Operating

Related Programs: 72023, 72024, 72026, 72029, 72030, 72031, 72033, 72035, 72037

Program Characteristics: In Target

Executive Summary

The Property Assessment-Industrial Program, within the Division of Assessment, Recording and Taxation (DART) is responsible for valuing, appraising and/or maintaining all local and state industrial property. Industrial property represents approximately 5% 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 250 county-responsibility industrial properties and maintenance of 440 accounts appraised by the Oregon Department of Revenue. In addition this program is responsible for maintaining Real Market Value and Maximum Assessed Value on 524 billboard accounts. All industrial property owners are required to file industrial property returns annually. A number of industrial plants are physically inspected and audited every year. Appraisers perform appraisals to defend values under appeal. Industrial properties are high-value accounts; loss on appeal can result in large tax refunds paid by taxing jurisdictions with interest. Focus is on proper classification of taxable property and resolving value appeals to minimize cost to taxpayers. Use of various computer and online tools maximize appraisal efforts. This program appraises industrial property accurately and fairly as required by the 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. 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 (FY11-12)	Current Year Purchased (FY12-13)	Current Year Estimate (FY12-13)	Next Year Offer (FY13-14)
Output	Number of Industrial Accounts Maintained	700	700	937	940
Outcome	Assessed Value placed on the Tax Roll (in millions)	2,670	2,670	2,772	2,800
Efficiency	Percentage of Sites Reviewed for Transfer	8.0%	10.0%	20.0%	20.0%

Performance Measure - Description

Oregon Revised Statutes (ORS) requires property appraisals to be at 100% of Market Value as of January 1st of each year, with all returns processed and values placed on the roll by the third week of September. Failure to meet standards can result

in loss of County Assessment Function Funding Account (CAFFA) grant revenue and program control.

Program measures "Accounts Maintained" and "Assessed Value Placed on Roll" include both state and county-responsibility industrial sites in order to better reflect the contribution of this program. The number of Accounts Maintained increased as a result of a statute change requiring industrial machinery and equipment to be listed on their own separate account.

The "Reviewed for Transfer" project began with a list of 75 potentially misclassified sites. Proper classification is required by law and results in more accurate whole plant valuation.

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 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 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	2013	2013	2014	2014
Personnel	\$721,997	\$0	\$822,142	\$0
Contracts	\$0	\$0	\$0	\$0
Materials & Supplies	\$15,595	\$0	\$24,619	\$0
Internal Services	\$99,355	\$0	\$99,558	\$0
Total GF/non-GF:	\$836,947	\$0	\$946,319	\$0
Program Total:	\$836,947		\$946,319	
Program FTE	5.55	0.00	7.55	0.00
Program Revenues				
Intergovernmental	\$222,003	\$0	\$226,443	\$0
Total Revenue:	\$222,003	\$0	\$226,443	\$0

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 20~25% 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 \$3,588,633 for FY14, with \$226,443 allocated to DART Property Assessment-Industrial Program. Remaining Program support is from General Fund revenues.

Significant Program Changes

✔ Significantly Changed

Last year this program was: #72032, DART Property Assessment Industrial

Increase of 2.00 FTE. In order to gain more control over the valuation of industrial property in Multnomah County, we are taking back from the Department of Revenue, responsibility for valuation of 160 principal or secondary industrial accounts. A Finance Specialist Sr position in Personal Property (Program 72031) was reclassified as an Industrial Appraiser and transferred to Industrial Program. An A&T Technician 1 was transferred from Personal Property (Program 72031) and reclassified it as a Property Appraiser 2.