

Lead Agency: County Management

Program Contact: Sally Brown

Program Offer Type: Existing Operating

Related Programs: 72023, 72027, 72030, 72037

Program Characteristics: In Target

Executive Summary

The Tax Title Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for the management, maintenance and disposition of the County's tax foreclosed property inventory. The County's foreclosed property portfolio consists of 277 properties. Every year property is deeded to the county in the fall through Tax Foreclosure, this year the County received 6 properties. Of the current inventory, approximately 77% of the properties are strips of various sizes, 20 % are vacant lots that are mostly irregular in shape and not buildable, and 3% are properties with improvements or structures. 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 at least once a year through the foreclosure of delinquent property tax liens. The tax foreclosed properties are placed into the Special Program Group's (SPG) inventory and are managed and disposed of pursuant to Multnomah County Code, Chapter 7. Shortly after the properties are deeded to the County they are made available for repurchase to the former owners of record. SPG researches and inspects the properties received to determine highest and best use of the property. To assure this section's fiscal stability the department will identify property to be sold at public auction, private sale or available for donation to governments, non-profit housing sponsors or Open Space Preservation Sponsors.

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 | Properties remaining in Tax Title Inventory | 327 | 345 | 285 | 258 |
| Outcome | Properties placed back on the tax roll & into community use | 35 | 30 | 79 | 48 |
| Outcome | Revenue disbursed to taxing districts for public use | 244,169 | 371,768 | 371,768 | 473,099 |

Performance Measure - Description

The goal of the program is to reinstate tax foreclosed properties to the tax roll or into public use. At the end of every budget year the tax foreclosed property revenues are totaled, operating expenses and set asides are accounted for and the balance of revenue is disbursed to taxing districts.

Legal/Contractual Obligation

Oregon Revised Statutes (ORS) 275 details how counties are to manage & dispose of tax foreclosed properties. ORS 312 details the foreclosure process & responsibilities of the county including guidance on how the redemption period can be reduced when there is evidence of waste and abandonment. ORS 271 provides information concerning the transfer of foreclosed properties to non-profits & government agencies. ORS 98 details procedures concerning abandoned property & vehicles at foreclosed property. Multnomah County Code Chapter 7 specifically states 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 |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2013 | 2013 | 2014 | 2014 |
| Personnel | \$110,055 | \$0 | \$116,479 | \$0 |
| Contracts | \$450,788 | \$0 | \$553,119 | \$0 |
| Materials & Supplies | \$35,922 | \$0 | \$45,890 | \$0 |
| Internal Services | \$16,535 | \$0 | \$15,712 | \$0 |
| Total GF/non-GF: | \$613,300 | \$0 | \$731,200 | \$0 |
| Program Total: | \$613,300 | | \$731,200 | |
| Program FTE | 1.20 | 0.00 | 1.20 | 0.00 |
| Program Revenues | | | | |
| Fees, Permits & Charges | \$567,300 | \$0 | \$700,300 | \$0 |
| Taxes | \$25,000 | \$0 | \$16,700 | \$0 |
| Other / Miscellaneous | \$21,000 | \$0 | \$14,200 | \$0 |
| Total Revenue: | \$613,300 | \$0 | \$731,200 | \$0 |

Explanation of Revenues

The Program is financially self sustaining. Program revenues include contract principle estimated at \$16,700 and interest estimated \$14,200 from contracts and repurchases of tax foreclosed properties.

Sales of Tax Foreclosed Properties (auction sales, repurchases, and private party sales) are estimated at \$700,000 for FY14. Fees of \$300 are for transfers of Tax Foreclosed properties and are charged in accordance with County Fee Ordinance.

When program actual revenues exceed the program's operating costs, the excess is distributed to the taxing districts in Multnomah County, in accordance with ORS 275.275, and per formula provided in ORS 311.390.

Significant Program Changes

Last year this program was: #72038, DART Tax Title