



Department of Assessment & Taxation

FY 2019-20 Budget Presentation

Tami Little, County Assessor



Department Mission and Services

The Mission of the Assessment & Taxation Department is to administer State property tax laws to taxpayers and taxing districts so they have confidence in their tax system and receive the highest quality customer experience.

Our office is responsible for the equitable valuation of all taxable property in the county and the discovery of all new inventory.

In our annual maintenance of property records, this fiscal year has included processing over 16,000 property ownership changes, maintenance of 3,386 maps, and over 11,000 changes to property that primarily include valuing new construction and remodels.

We provide service to 133 taxing districts that provide vital services to county residents. We process voter approved money measures and district boundary changes, we calculate ad valorem taxes under Measures 5 and 50, collect tax dollars and we've distributed 97% of the \$852 Million dollars of 2018-19 tax revenue.

We provide property owners with value dispute resolution, value correction services, and exemption and deferral qualifications and eligibility determinations.

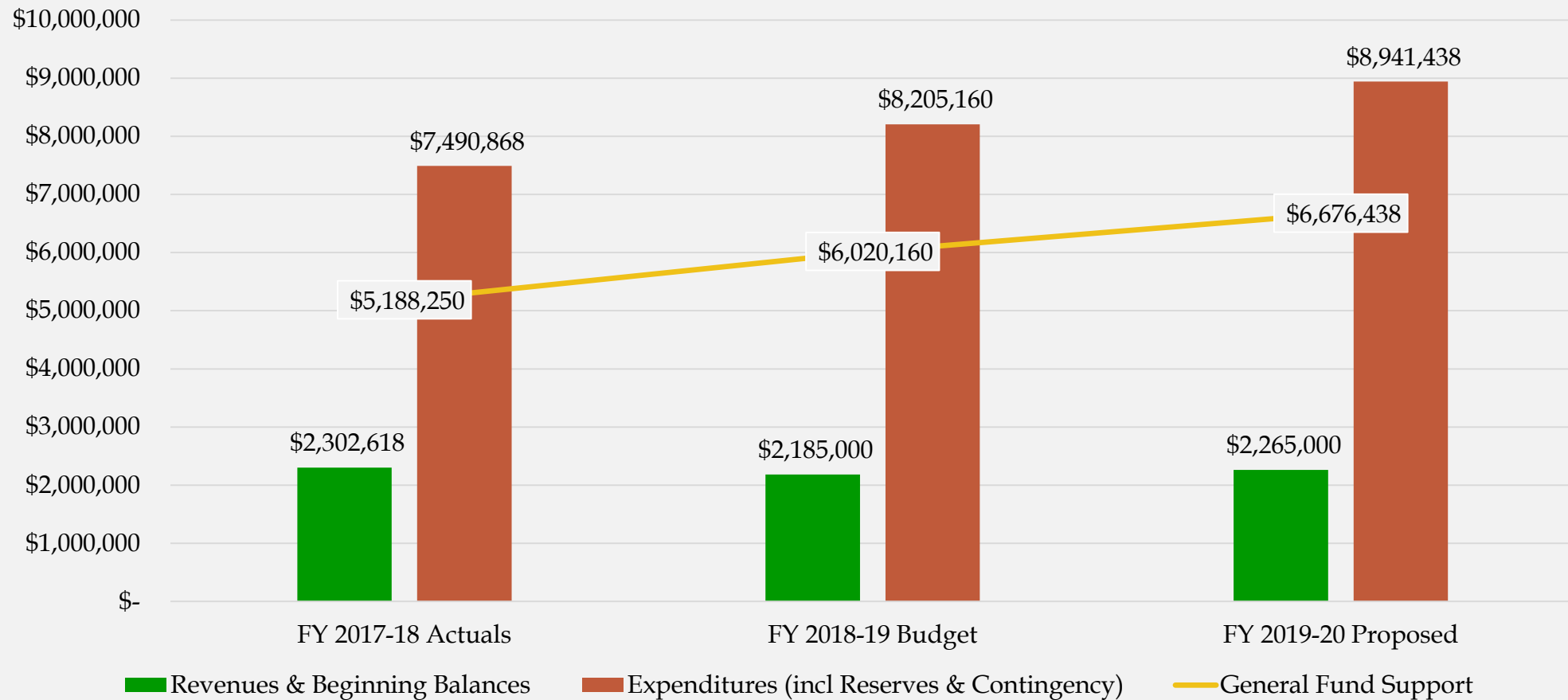
In addition, our department has a long standing commitment to providing excellent customer service.

Strategic Goals

We continue to work on our strategic goals in the following ways:

- **By continually increasing the availability of property record information online for access by our customers**
- **By working toward capturing commercial, industrial, & multi-family property information electronically**
** resource limitations and real estate activity have impacted our progress timeline for this goal*
- **By prioritizing resources and enhancing our utilization of available technology we strive to reduce the amount of property not included on the tax roll**
** our 2018 procurement of oblique aerial imagery has already proven a significant resource to the fair and equitable assessment of property taxes in Clackamas County. Within the first two weeks we discovered 3 properties with a total market value of over 2M dollars that were omitted from the tax roll*
- **By sharing data with inter-departmental and inter-jurisdictional partners we are efficiently and resourcefully using public tax dollars which ultimately reduces revenue loss to taxing districts**
** we're sharing the new aerial imagery with several County departments including the Sheriff and there is significant interest from cities and local fire districts to be future cost sharing partners*
- **By continuing our effective efforts to maintain a well-qualified, competent, adequately staffed organization, and encouraging a culture of valuing high quality customer service**

Departmental Budget Request



Budget Reductions

- Reductions taken to achieve the 2% or 5% general fund target provided by the Budget Office:
 - **\$ 37,772 total**
 - **No service delivery is impacted by this reduction**
 - Reduction to contracted appraisal services for commercial and industrial property, *an impact will be felt if the number and complexity of appeals increase*
 - Reductions in judgements, *an impact will be felt if judicial fees and judgements increase beyond historical costs*
 - Reduction in postage due to efficiencies with improved technology
 - Reductions in office and drafting supplies
- Additional reductions taken (if applicable):
 - **\$ 10,956**
 - Returned our Facilities allocated cost reduction of \$10,956 to the General Fund
 - We did not ask for 3 additional Appraisal FTE as discussed in last years budget needs.
 - *A total reduction of **\$48,728***

Additional Funds

- We requested the addition of a Senior Property Appraiser to lead our aerial imagery project to its fullest potential
- This FTE is extremely important in the successful utilization of the capital funds that purchased the oblique aerial imagery approved in the 2018-19 budget
- We reviewed the possibility of reclassifying a vacant position but due to our FTE count already falling below the recommended Department of Revenue staffing models, the impact may not only impede achieving our strategic goals and our ability to meet work demands for completing the 2019 tax roll, it may also jeopardize some CAFFA grant funding
- The CAFFA grant is expected to provide \$1.4 M to offset the General Fund needed for Assessment & Tax
- Estimated max salary costs including benefits for the Senior Property Appraiser FTE in 2019-20 is \$100,342
- We were able to increase our ORMAP Grant this year from \$15k to \$30k with a plan to gain progress toward our goal of finalizing digital maps
- DOR and counties are looking for new ways to fund the state's A&T program, for example HB 2104 could bring additional money in 2020

Key Performance Measures & Results

<u>Administration</u>		FY 17-18 Actual	FY 18-19 Target	FY 18-19 Projected Performance	FY 19-20 Target
Result	Department will operate within 95% of its annual adopted budget	95%	95%	95%	95%
Result	Development of an employee succession plan by 2016	50%	75%	80%	80%
Efficiency	Total cost per account	\$43	\$44	\$47	\$51
Efficiency	Tax revenue generated per \$ of budgeted expenditure	\$99	\$102	\$104	\$101

Annual legislative sessions and the continually changing requirements of Oregon’s property tax system provide a challenge to helping citizens understand our tax system and for us to effectively administer it. We continue to make staffing a priority, we replaced 15% of our staff positions this year and we are focused on training and retention. The Department of Assessment and Tax remain committed to collaborating with other departments and jurisdictions to provide more effective and efficient services. Our aerial imagery project is a good example of sharing resources which helps build public trust by cost sharing on projects and information.

Key Performance Measures & Results

<u>Property Valuation</u>		FY 17-18 Actual	FY 18-19 Target	FY 18-19 Projected Performance	FY 19-20 Target
Result	98% of neighborhood market areas valued at 100% of real market value and consistent with statutory requirements	98%	97%	99%	98%
Output	# of new construction / property change appraisals completed	8,104	8,032	8,133	7,639
Demand	# of real properties NOT physically appraised in the past six years	157,463	153,463	156,381	152,000

Real estate sales activity, new construction and other exception events continue to show significant increases. The target of new construction/property change appraisals for 2019-20 is estimated to be down slightly based on current information but may go higher as it did in the prior year. Updates and enhancements to our automated appraisal database allow us to monitor our appraisal activity in real time and increase the efficiency of our business practices. Resource limitations and increased real estate activity continue to impact our ability to direct additional resources to convert offline records for commercial, industrial, and multi-family properties into our mass appraisal database. This data conversion would allow us to build income property valuation models to enable valuation and recalculation of these types of properties within our system. This remains a strategic goal and we have allocated a .75 FTE to continue moving this project forward.

Key Performance Measures & Results

<u><i>Value Adjustment</i></u>		FY 17-18 Actual	FY 18-19 Target	FY 18-19 Projected Performance	FY 19-20 Target
Result	Board of Property Tax Appeals will remain below 1% annually	0.17%	<1%	0.18%	<1%
Output	# of Board of Property Tax Appeals	277	278	303	300
Output	# of real property accounts with tax roll corrections for omitted property	205	200	210	275

Although the acceleration of growth has slowed to single digit, increases in value of all property types continue. Value appeals to the Board of Property Tax Appeals remain stable with a slight increase. A consistent level of resources remain directed toward appeal management. The appeal process represents a significant outreach opportunity. The legal complexity of appeals and the complexity of properties under appeal continue to require participation by County Counsel. The high level of sales activity requires significant resources in our Valuation program. We continue to work toward maintaining the accuracy and integrity of our property characteristic inventory.

Key Performance Measures & Results

<u><i>Tax Revenue</i></u>		FY 17-18 Actual	FY 18-19 Target	FY 18-19 Projected Performance	FY 19-20 Target
Result	87% of tax dollars distributed by November 30 th each year	87%	88%	88%	88%
Result	97% of tax dollars are collected by the end of the fiscal year	97%	97%	97%	97%
Output	# of credit, debit and e-check online payment postings	10,610	10,513	11,460	12,033

Annexations and withdrawals were completed timely and accurately on the 2018-19 tax roll. This program successfully processed levy requirements for 133 taxing districts producing a total tax roll of \$852 million dollars. Property tax statements were mailed to 179,954 accounts by October 22, 2018. Collection and distribution was timely with districts receiving funds equivalent to 88% of the total tax roll within 15 days of the November 15th due date. We are on target to be 97% collected by the end of the fiscal year.

Key Performance Measures & Results

<u><i>Property Records</i></u>		FY 17-18 Actual	FY 18-19 Target	FY 18-19 Projected Performance	FY 19-20 Target
Result	Deeds processed resulting in ownership, address, and boundary changes	18,335	18,115	17,487	16,962
Result	>95% of phone messages returned within one business day	>95%	>95%	>95%	>95%
Result	% of Assessor’s tax maps digitized	64%	67%	70%	75%

This program processed over 17,000 deeds resulting in ownership, address, and/or boundary changes. On average, records were updated within 5 business days to accurately reflect owner names, mailing and situs address on the current assessment and tax rolls. The volume of real estate activity requires prioritization of staff in order to update and maintain GIS mapping data and assessment records accurately to meet the deadline of closing our annual tax roll. This continues to impact available resources for our ongoing digital map conversion project. Progress continues, having retired 2,174 out of 3,386 paper maps with digital maps. We continue to maintain a high response level for public records requests and customer inquiries.

Key Performance Measures & Results

- An important key performance issue is the discovery of property not included on the tax roll (omitted property). It's been a growing issue for many years and is a source of lost revenue. We have already begun to add omitted value and tax using our new aerial imagery and we will provide details in next year's budget about the anticipated success of that project.
- Resource limitations and increased real estate activity continue to impact our ability to convert offline records for commercial, industrial, and multi-family properties into our mass appraisal database. We dedicated a .75 FTE to begin the project but workload and vacancies continue to keep this critical need a key issue.
- We made significant progress in meeting our key issue of collaboration and sharing of information by providing our aerial imagery to other county departments at no additional cost in the 2019-2020 fiscal year. We are currently developing a cost sharing model within the County beginning in 2020-2021 that may also include cities and local fire districts.
- Our Performance Clackamas plan was drafted in 2015 and we will update our Strategic Plan in the next fiscal year to reflect the changes of the past 4 years.

The 10 Fastest Growing Cities In Oregon For 2019

#1 - Happy Valley



1. Happy Valley
2. Wilsonville
3. Sandy
4. Bend
5. Molalla
6. Hillsboro
7. The Dalles
8. Oregon City
9. Redmond
10. Forest Grove

5 out of the top 10 fastest growing cities in Oregon are located in Clackamas County

Emerging Issues

- The integration of GIS mapping data and our Computer Assisted Mass Appraisal (CAMA) system was started this year with the purchase of aerial imagery but needs continued resources to keep the project moving and successful. This will allow us to improve efficiencies in our annual Ratio Study in order to ensure that all property is valued at 100% of real market value as required by statute. This GIS/CAMA integration will also be used to enhance valuations, reduce the need for physical inspections and improve the quality of our inventory. It will also be utilized in reappraisal, a demand that remains high and mostly unmet. Excluding new construction, 156,381 or 93% of real property accounts have not been physically reappraised within the last 6 years. The majority of property has not been inspected in over 20 years.
- Due to the continuing growth of the county, costs outpacing revenues, and a lack of resources, we need to find new ways to get our year over year increasing workload completed to produce an accurate tax roll.
- Another issue that has emerged is the replacement of our aging Assessment, Tax, and Appraisal software which was implemented nearly 21 years ago. Our current CAMA system cannot easily be integrated with current GIS technology and other applications, which is limiting our ability to create efficiencies already realized and implemented by other counties with newer CAMA systems.
- Our current vendor, US Bank, will no longer be offering Lock Box services after 2019. The Assessor's office is currently working with the County Treasurer to start the RFP process for a vendor to electronically process our 2020 property tax payments.
- Due to the importance of GIS/cadastral functions integrating with our CAMA system, a supervisor for the cadastral team has become critical to keep pace with technology, and have the ability to look for efficiencies with a dedicated leader. Other counties have already gone in this direction.

Questions?

www.clackamas.us/at

