

# Department of Assessment and Taxation

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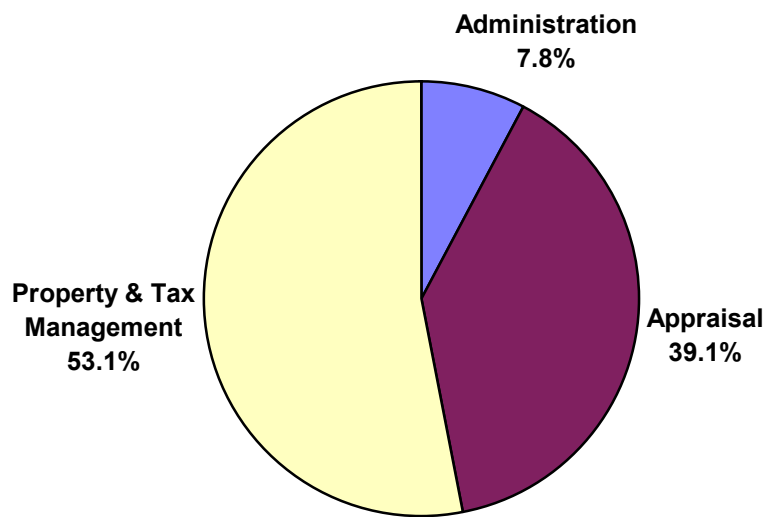
## Department Purpose

To appraise property, to calculate, collect and distribute taxes and to provide related information to the public, in a manner that merits the highest degree of confidence in our integrity, efficiency and fairness. We are a broad service organization, mandated by the Oregon Constitution and Oregon law, which collects revenue for approximately 82 local governments, schools and special districts that provide essential public services for the citizens of Lane County.

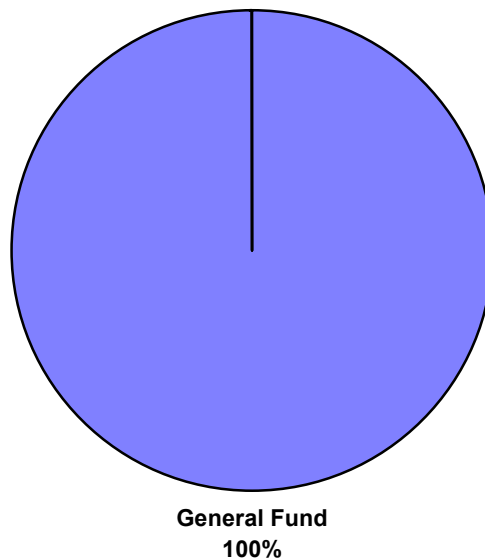
## Total Expenditures

\$6,404,984

### FY 08-09 Expenditures by Division



### FY 08-09 Budget by Fund



Anette Spickard  
Assessor  
682-6798

# Assessment and Taxation

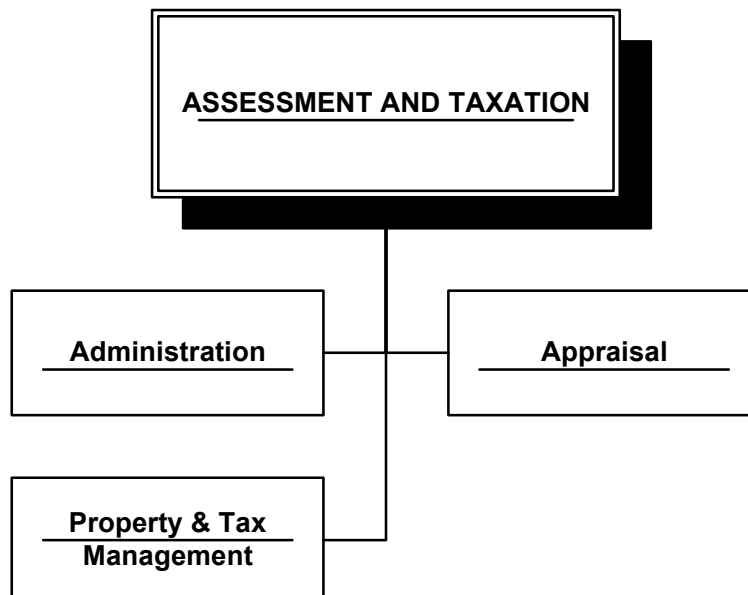
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## Department Overview

The Department of Assessment and Taxation administers the Oregon property tax system in Lane County. The department maintains an inventory of all real and personal property in Lane County, annually assesses all new construction values of real property, maintains the market value of real property through a sales analysis program, applies the appropriate tax exemptions or special assessments to property, and adds the reported value of personal property to the assessment and tax roll. There are approximately 170,000 taxable properties and in 2007 the grand total of property tax certified for collection on behalf of all local governments amounted to \$361 million. The department director is the Lane County Assessor who is elected to a four-year term by the voters of the county.

Property tax supports a wide range of services for Lane County citizens. The department is the collection agent for the tax levies of over 80 active taxing jurisdictions including cities, school districts, fire districts, urban renewal districts, and other special districts. Approximately 50 percent of tax collections are used for public education including K-12 and community colleges. About 32 percent goes to cities which provide services such as police, fire and recreation. About 4 percent is used by rural fire protection districts, and approximately 5 percent provides for services such as libraries, parks, water and lighting. Lane County receives approximately 9 percent of the revenue collected. Lane County uses most of its property tax monies to provide essential public safety services.

The Oregon property tax system is a result of several property tax limitation ballot measures approved by voters during the 1990's. Each tax district has a permanent authority rate that is applied against the assessed value of all property in its jurisdiction. The permanent authority rate cannot be increased. The combination of all rates a property is subject to cannot exceed \$5.00 per thousand of real market value for education and \$10.00 per thousand of real market value for general government purposes. Districts may go to voters for authorization of a local option levy. Additionally, the maximum assessed value of property is limited to the lesser of its real market value or its 1995 market value less 10% and then annually adjusted by 3%. There are numerous exceptions to these limitations, which have created a complex system to administer.



# Assessment and Taxation

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## **Department Goals & Objectives**

The department has an active 5 year strategic plan (2005-2010) that guides the department in decision-making for staff assignments, budgeting, and technology investments. Our department's strategic goals and objectives also support and complement the Lane County Strategic Objectives that were adopted by the Board of Commissioners on February 15, 2005. Many of the key objectives identified in the plan have been accomplished. Therefore, the department is in the process of updating the department vision and strategic plan and expects to have a new plan adopted by October 2008. Listed below are the current department goals and objectives for FY2008-09.

### **Goal #1: 100% accurate tax roll by October certification date**

- Map, appraise, and tax all new & changed properties recorded with the county clerk's office through June 30 to ensure owners receive a correct tax statement in October.
- Improve accuracy of existing tax account information by correcting data & auditing accounts.
- Improve accuracy of property values by utilizing technology to improve appraisal methods.

### **Goal #2: Provide excellent customer service and increase availability of timely and accurate public information through key partnerships**

- Provide online property tax payment services to enable payment of property tax via credit card, debit card, or electronic check as part of the county's e-government services.
- Provide a full range of online property tax information.
- Enhance key partnerships with private sector customers and other governmental agencies.

### **Goal #3: Prioritize, review, and streamline all major business processes to make them more efficient and cost effective**

- Conduct a Business Process Review each year on one major function of the department.
- Evaluate the use of technology in new and innovative ways to increase accuracy and production.
- Use performance measures as a tool for accountability and decision-making.

### **Goal #4: All employees are fully trained, fairly compensated, considered expert resources across the state, and provided a modern, safe working environment**

- Provide staff development, training, and promotional opportunities.
- Participate in the implementation of the county Diversity Action Plan.

## **Key Accomplishments of FY 07-08**

Our most significant department-wide accomplishment this year is the elimination of the backlog in property divisions and assessor map updates. The local tax system has suffered from a chronic backlog in tax roll updates due to staff shortages from budget cuts sustained in the 80's and 90's. For the past 20 years, it was not uncommon for the owner of a newly created tax lot to wait two to three years to receive a tax statement reflecting the new changes to the property and the correct tax amount. This caused problems for owner's financing, lost tax revenue to the governments that serve the new property, and created inefficient use of staff resource internally to prorate taxes between the old and new owners. The issue came to the forefront of the county when additional staff cuts were proposed by the county in 2004 and the Department of Revenue intervened. The county did not implement the cuts and the DOR conducted an in depth analysis and presented recommendations to the county for corrective action to bring the tax roll current and into compliance with state standards. As a result, the department has spent the last three fiscal years implementing strategies to address the key findings and to bring the tax roll current. The county invested in additional staff resource in the department in 2005 and 2006. The department's employees worked very diligently to identify, map, appraise, and tax thousands of new tax lots that had been created during the real estate development boom of 2003 to present. Completion of this three year project has had profound positive ripple effects that benefit the property owner, real estate industry, the tax districts, and the staff. Our goal now is to stay current each year and not allow a backlog to grow again. (Goal #1)

## Assessment and Taxation

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Other major accomplishments in FY07-08 included the completion of an Exclusive Farm Use (EFU) Land Study to reestablish rural acreage values based on current market transactions and to bring overall uniformity and equity to the valuation of those properties. We also completed a “realignment” of residential neighborhoods in the South Lane, Creswell, Pleasant Hill, Oakridge and Lowell school district boundaries using Geographic Information Systems (GIS) technology and the most recent real estate market activity. During FY 08-09 we will focus on the areas of Florence, Siuslaw, Mapleton, Blachly, Junction City and Veneta. (Goal #1)

In terms of tax collection, we continue to use the most efficient and cost effective means to process tax payments by utilizing the US Bank Lockbox service. This results in quicker processing time for payments, checks being directly deposited into the county’s bank account the same day and faster transmission of money to the taxing districts. We implemented online tax payment functionality as part of the county’s e-government services in April 2008. As of May 31, 2008, we have collected 93.45% of the tax billed for FY 2007-08. (Goals #2 and #3).

We continually update our website and self-help customer service area with maps and property information. Our website is consistently one of the most visited county sites and was recently revamped to increase ease of use. We provide tax statements from 2004 forward online. Our cartography staff uses GIS mapping tools and data models that are considered leading-edge statewide. We are making substantial progress in our ORMAP project and continue to receive state grant funds to assist in our efforts to meet statewide mapping goals. (Goals #2 and #4)

### **Changes, Challenges & Opportunities for FY 08-09**

For fiscal year 08-09, the department maintains a status quo staff level in order to meet the minimum standards required by the Department of Revenue and state property tax laws. By meeting these standards the county is eligible to apply for County Assessment Function Funding Assistance (CAFFA) grant that subsidizes the county’s costs to administer the local tax system by approximately 25%. If the county were to cut A&T staffing to a level that prevented the tax system from functioning properly, the law requires the DOR to assume these responsibilities. To cover their expenses, the DOR will withhold the CAFFA funds as well as other state shared revenues such as cigarette and liquor taxes. If those two sources do not cover the cost, the DOR will bill the county for the balance due. Since the county is already deemed to be at the minimum staff level, the issue for the county becomes a discussion of whether to turn the property tax function back to the state. And if so, would the county actually save any money by doing so? The current analysis says no. Additionally, the department’s activities are considered highly leveraged because for every dollar the county spends on A&T, the county receives \$5+ back in property tax revenue. If federal timber funds are not renewed, the primary source of county general fund revenue will be property tax and therefore it will be imperative that this department function at as high a level as possible with the staff resources allocated to us.

A major challenge and opportunity faced by all A&T offices across the state, is the health of the CAFFA fund itself. When originally established the fund offset up to 40% of county A&T expenses. The revenue sources that flow into the fund were never indexed and the amount available each year on a % basis has been declining as county expenses have increased. The looming loss of federal funds has brought this issue to the forefront of the state’s attention. A statewide task force, of which the Lane County Assessor was a voting member, recently made recommendations to the Governor for ways to stabilize and increase the CAFFA fund so as to bring the county offset up to 50%, which will thereby free up county general funds for public safety and public health services. The goal is to have legislation approved in the 2009 session that implements these recommendations as one piece of the long term solution for funding of state – county shared services.

## Assessment and Taxation

### Performance Management

Total Property Tax Certified is the amount of all property tax billed to property owners on October 25 for over 80 different local governments and special districts. Even though Oregon has several different tax limitations in its constitution, the total amount of tax revenues grew by 2.96% due to the amount of new construction added to the tax roll and a number of new tax levies put in place by voters. The total Property Tax Certified for FY 07-08 was \$361,208,127.

Total Property Tax Collected & Percent of Tax Collected is the amount that local governments and special districts can expect to receive. Oregon allows taxpayers to receive a 3% discount on taxes paid in full by November 15. Most taxpayers take advantage of this discount. Currently, the collection rate is stable. In the past during economic recessions, the collection rate has dropped significantly. Tax districts use this rate to help them budget for tax revenues. We have seen only a very slight drop in collections as a result of the national mortgage crisis. Our experience shows mortgage companies will keep taxes current even if the homeowner defaults on their mortgage in order to protect their investment from tax foreclosure. The total Property Tax Collected in FY 07-08 was \$338,762,470.

Total Measure 5 Real Market Value represents the real market value of all property in Lane County as of January 1 each year and is used to calculate the maximum combined tax amount that can be levied against any individual property for either general government purposes (\$10 per 1,000) or education purposes (\$5 per 1,000). This is commonly referred to as the “cap”. When the combined tax rates applied to an individual property exceed one of these limitations it is considered to be “in compression”. In order to bring taxes down to fit under the “cap” the Assessor reduces, or compresses, the levies to fit within these limits. The total Measure 5 Real Market Value in FY 07-08 was \$48,466,065,870.

Total Taxable Value (Before UR) represents the Measure 50 taxable assessed value for all properties in Lane County after exemptions and special assessments are applied. Each year the Assessor compares the Measure 5 real market value of a property to its Measure 50 maximum assessed value. The lesser of these two values becomes the taxable value. This is the value that tax levies are actually multiplied against to create the tax bill for individual property owners. The difference between the taxable value and the real market value is commonly referred to as the “tax gap.” The amount of tax gap is important to tax districts because it indicates the amount of room available under the Measure 5 cap. The gap is also the amount that is taxed by Local Option Levies. The faster that real market values grow, the wider the gap becomes and less compression occurs. This calculation occurs before Urban Renewal (UR) division of tax occurs. The total Taxable Value before Urban Renewal for FY 07-08 was \$23,681,970,896.

<b>Performance Measures</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Actual</b>	<b>2007-08 Target</b>	<b>2007-08 Perf. Index</b>	<b>2008-09 Target</b>
Property Tax Certified	\$335.4 m	\$350.8 m	\$361.2 m	\$364.8 m	Below Target	\$372.0 m
Property Tax Collected	\$317.4 m	\$332.5 m	\$338.8 m	\$343.0 m	Below Target	\$350.0 m
% of Tax Collected	95%	95%	94%	94%	On Target	94%
Measure 5 Real Mkt Value	\$30.4 b	\$42.5 b	\$48.5 billion	\$46.7 billion	Above Target	\$50.8 billion
Taxable Value (Before UR)	\$21.3 b	\$22.4 b	\$23.7 billion	\$23.3 billion	Above Target	\$25.4 billion

## Assessment and Taxation

DEPARTMENT FINANCIAL SUMMARY						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>RESOURCES:</b>						
Taxes and Assessments	257,582	243,518	215,000	220,000	5,000	2.33%
Fines, Forf, and Penalties	39,050	40,634	40,000	40,000	0	0.00%
Property and Rentals	24,338	21,508	14,500	14,500	0	0.00%
State Revenues	90,754	126,973	119,500	122,500	3,000	2.51%
Fees and Charges	1,620	1,306			0	0.00%
<b>Total Revenue</b>	413,344	433,939	389,000	397,000	8,000	2.06%
Resource Carryover	10,750	35,000	20,000	0	(20,000)	-100.00%
<b>TOTAL RESOURCES</b>	424,093	468,940	409,000	397,000	(12,000)	-2.93%
<b>EXPENDITURES:</b>						
Personnel Services	3,867,348	4,110,134	4,462,511	4,619,413	156,902	3.52%
Materials and Services	1,494,441	1,714,144	1,753,549	1,785,571	32,022	1.83%
Capital Expenses	22,998	31,945	0	0	0	0.00%
Fiscal Transactions	10,000	21,765	0	0	0	0.00%
<b>TOTAL EXPENDITURES</b>	5,394,787	5,877,988	6,216,060	6,404,984	188,924	3.04%
<b>Total FTE</b>	59.00	61.00	60.00	60.00	0.00	0.00%
<b>EXPENDITURES BY FUND</b>						
General Fund	5,394,787	5,877,987	6,216,060	6,404,984	188,924	3.04%
<b>Funds Total</b>	5,394,787	5,877,987	6,216,060	6,404,984	188,924	3.04%

# Assessment and Taxation

## DEPARTMENT POSITION LISTING

### Administration

- 1.00 Administrative Support Spec
- 1.00 Assessment & Taxation Director
- 1.00 Office Assistant 2

**3.00 Division FTE Total**

### Appraisal

- 1.00 Data Entry Operator
- 1.00 Manager
- 1.00 Prof/Tech Supervisor
- 2.00 Property Appraiser 1
- 7.00 Property Appraiser 2
- 7.00 Property Appraiser 3
- 1.00 Property Appraiser 4
- 1.00 Sales Data Analyst
- 2.00 Sr Office Assistant
- 1.00 Sr. Sales Data Analyst

**24.00 Division FTE Total**

### Property & Tax

- 2.00 Accounting Clerk 2
- 1.00 Administrative Support Supv
- 1.00 Cartographer/GIS Specialist
- 5.00 Cartographer/GIS Technician
- 1.00 Manager
- 6.00 Office Assistant 2
- 3.00 Sr Accounting Clerk
- 14.00 Sr Office Assistant

**33.00 Division FTE Total**

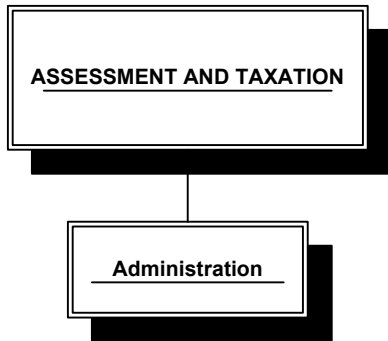
**60.00 Department FTE Total**

# Assessment and Taxation: Administration

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## Division Purpose Statement

*Administration oversees and directs the planning and organization of the department as mandated by Oregon law, the Lane County Strategic Plan, and departmental mission, vision, values and goals.*



## Division Locator

### **Assessment and Taxation**

#### ***Administration*** ◀

*Appraisal*

*Property and Tax Management*

## Assessment and Taxation: Administration

DIVISION FINANCIAL SUMMARY						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>RESOURCES:</b>						
Property and Rentals	67	0	0	0	0	0.00%
<b>Total Revenue</b>	67	0	0	0	0	0.00%
Resource Carryover	0	35,000	20,000	0	(20,000)	-100.00%
<b>TOTAL RESOURCES</b>	67	35,000	20,000	0	(20,000)	-100.00%
<b>EXPENDITURES:</b>						
Personnel Services	405,045	381,693	323,055	330,392	7,337	2.27%
Materials and Services	120,742	174,442	188,516	172,609	(15,907)	-8.44%
<b>TOTAL EXPENDITURES</b>	525,787	556,135	511,571	503,001	(8,570)	-1.68%
<b>Total FTE</b>	4.00	4.00	3.00	3.00	0.00	0.00%
<b>EXPENDITURES BY FUND</b>						
General Fund	525,787	556,135	511,571	503,001	(8,570)	-1.68%
<b>Funds Total</b>	525,787	556,135	511,571	503,001	(8,570)	-1.68%

DIVISION FINANCIAL SUMMARY BY PROGRAM						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>Programs</b>						
A & T Administration	525,787	556,135	511,571	503,001	(8,570)	-1.68%
<b>Total Expenditures</b>	525,787	556,135	511,571	503,001	(8,570)	-1.68%

# Assessment and Taxation: Administration

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## **Division Overview**

Administration oversees and directs the strategic planning and long term initiatives of the department to provide excellent service to taxpayers and ensure activities are in compliance with the Oregon Constitution, Oregon law, and the Lane County Strategic Plan. The Assessor participates in a number of intergovernmental partnerships to provide the public with easy access to tax records, parcel maps, and real estate sales data via the Internet and commercial subscriber services.

## **Division Objectives for FY 08-09**

- Continue to implement recommendations from the Department of Revenue compliance audit, focusing on the areas of realignment and audits.
- Review business processes for efficiencies and implement changes resulting from new legislation.
- Provide public assistance via telephone, walk-ins, the Internet, and from other section or department referrals. Maintain or exceed current level of customer service.
- Work with other county departments to streamline overlapping services.
- Work with software vendors on major upgrades to programs for appraisal and taxation records.
- Maintain participation in the implementation of the Lane County Strategic Plan.
- Update department's five year Strategic Plan.
- Participate in the International Association of Assessing Officers (IAAO) program – Excellence in Assessment.

## **Key Accomplishments in FY 07-08**

- The department website was thoroughly reviewed and updated in January 2008.
- Numerous tax levy and taxing district statistical reports, including state mandated information, have been placed on the Internet. Information that can be used by taxpayers and taxing districts is continually reviewed for placement on the Assessment and Taxation website.
- Between July 1 and December 31, 2007 there were over 830,000 hits to the Assessor's website, averaging 69,000 hits per month. Usage peaked in November with 81,918 hits.
- The tax roll for the January 1, 2007 assessment date was certified on October 5, 2007 for over \$361 million in taxes due on over 170,000 tax accounts.
- Online tax payments functionality was added in April 2008.
- Continued management and compilation of data for department performance measurements.

## **Changes, Challenges, & Opportunities for FY 08-09**

The Assessor will continue to lead the department through the staffing and work process changes required by the Department of Revenue compliance audit. Since the department has become current with property division processing, pending projects will be reevaluated for implementation as identified in the DOR compliance plan and the department strategic plan.

Challenges on the horizon are defining a process for properties developed under Measure 37 and Measure 49 and potential new state laws affecting the property tax system that may be a result of the 2009 Legislature, and participation in the 2009 State Legislative session, supporting both Lane County and Oregon State Association of County Assessor's (OSACA) and the Oregon Association of County Tax Collectors agenda.

23% of our employees have been with the department for one year or less in their current positions, which has increased our need for both training and on-the-job assistance from longer-term employees, supervisors and managers.

## Assessment and Taxation: Administration

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### Performance Management

The measure listed here shows how our annual work plan and budget leverages funds given to the County by the State of Oregon.

The leverage amount received is based on our compliance with state law and department of revenue standards. It is also dependent on the amount of state money available to support Assessor functions in all 36 counties. As you can see in the measure below, the reimbursement rate is continuing to drop each year. The state funds that support this grant program are derived primarily from recording fees. In FY 07-08, the amount of recording fees dropped statewide due to the slowdown in the real estate economy. The County was notified by the state Department of Revenue that they anticipate the amount of money available to counties to support Assessor functions will continue to decline. We anticipate that by the close of the FY 08-09 grant cycle, the leverage amount will be below the 25% level.

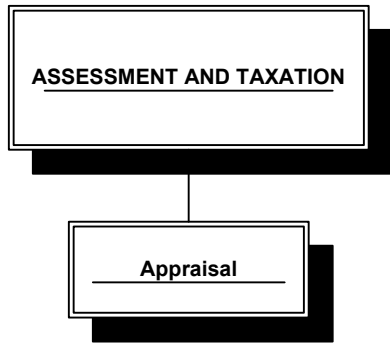
<b>DIVISION PERFORMANCE MEASURES</b>						
<b>Performance Measures</b>	<b>2004-05 Actual</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Actual</b>	<b>Trend</b>	<b>2008-09 Budget</b>
State reimbursement for A&T compliance	2,101,983	1,793,010	1,871,180	1,782,022	Declining	1,563,784
% of A&T budget reimbursed	43.4%	30.3%	29.8%	25.93%	Declining	23.39%

# Assessment and Taxation: Appraisal

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## Division Purpose Statement

*The purpose of the appraisal division is to ensure that all tangible properties are equitably assessed in order to provide valuation information to accurately calculate taxes for the citizens and service districts of Lane County, as mandated by Oregon law, the Lane County Strategic Plan, and departmental mission, vision, values and goals.*



## Division Locator

### **Assessment and Taxation**

*Administration*

**Appraisal** ◀

*Property and Tax Management*

## Assessment and Taxation: Appraisal

DIVISION FINANCIAL SUMMARY						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>RESOURCES:</b>						
Taxes and Assessments	255	0	0	0	0	0.00%
Property and Rentals	3,549	2,680	2,500	2,500	0	0.00%
Fees and Charges	48	78	0	0	0	0.00%
<b>TOTAL RESOURCES</b>	<b>3,852</b>	<b>2,758</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	<b>0.00%</b>
<b>EXPENDITURES:</b>						
Personnel Services	1,513,593	1,689,432	1,884,297	1,937,760	53,463	2.84%
Materials and Services	346,632	544,151	572,906	560,852	(12,054)	-2.10%
Capital Expenses	22,998	12,454	0	0	0	0.00%
Fiscal Transactions	10,000	0	0	0	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>1,893,223</b>	<b>2,246,037</b>	<b>2,457,203</b>	<b>2,498,612</b>	<b>41,409</b>	<b>1.69%</b>
<b>Total FTE</b>	<b>22.00</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>EXPENDITURES BY FUND</b>						
General Fund	1,893,223	2,246,037	2,457,203	2,498,612	41,409	1.69%
<b>Funds Total</b>	<b>1,893,223</b>	<b>2,246,037</b>	<b>2,457,203</b>	<b>2,498,612</b>	<b>41,409</b>	<b>1.69%</b>

DIVISION FINANCIAL SUMMARY BY PROGRAM						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>Programs</b>						
Appraisal	1,893,223	2,246,037	2,457,203	2,498,612	41,409	1.69%
Total Expenditures	1,893,223	2,246,037	2,457,203	2,498,612	41,409	1.69%

# Assessment and Taxation: Appraisal

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## **Division Overview**

The purpose of the appraisal division is to ensure that all residential, commercial, and industrial property is equitably assessed. This entails appraisal of new construction, reappraisal of properties that do not meet appraisal standards, processing property divisions, processing appeals, sales analysis, administering special assessment programs, deferral programs, and annual adjustment of property values.

The appraisal of property in Oregon is highly regulated. ORS 308.233 mandates that "All real or personal property within each county shall be valued and assessed at 100 percent of its real market value." The Oregon State Constitution, Article XI, section 11b defines Real Market Value; section 11g defines how the maximum assessed value was created and the allowable exceptions to maximum assessed values as a result of Ballot Measure 50. Oregon Revised Statutes 308.005-308.990 established the standard methods and procedures for appraising property. Oregon Department of Revenue standards exist for different classes and types of property. ORS 308.210 and administrative rules describe the manner in which new construction is to be assessed.

All property is to be assessed as of January 1 each year. Prior to 1996, the Assessor's office would physically reappraise all property every six years, ensuring an accurate inventory of all property and an accurate real market value. However, after the passage of Ballot Measure 50 in the 1996-97 FY, the county eliminated the entire physical reappraisal unit (15 FTE) in order to balance the budget. Since that time, very limited physical reappraisal has occurred due to a shortage of property appraisers.

The focus has shifted to neighborhood analysis, and in order to meet the mandates outlined above, the Appraisal division relies almost exclusively on statistical trending of the real estate market based on prior year property sales to calculate real market values of all properties. The market trends must stay within established Department of Revenue statistical standards to ensure that real market values are valid. Annual filing of the "ratio report" to the Department of Revenue (DOR) is the method by which to ensure compliance with the standards.

## **Division Objectives for FY 08-09**

- Continue to conduct neighborhood analysis projects within the county.
- Continue to work cohesively with the Property and Tax Management Division to ensure property divisions are completed through June 30, 2008.
- Provide the necessary training to current staff to replace lost expertise due to retirements and turnover.
- Work to meet state mandates. Ensure that all appropriate properties are inspected and appraised; and that all data is recorded in the appraisal system; all new construction, exception value, and assessed value is calculated in compliance with Measure 50 requirements.
- Implement new laws and administrative rules timely.
- Provide accurate and timely taxpayer information.
- Ensure that property values are at 100% of Real Market Value by responding to appeals at Board of Property Tax Appeals, Magistrate, and Department of Revenue Appeals. This includes reviewing the complaint, filing an answer, listening to the person appealing, responding to issues raised, and presenting an opinion of value.

## **Key Accomplishments in FY 07-08**

- Neighborhood realignment of South Lane School District properties using new technology within the GIS module.
- Achieved 100% of Real Market Value as required by ORS or OAR standards for all property in Lane County as reported in the ratio report filed with the Department Revenue on June 30, 2008.

## Assessment and Taxation: Appraisal

- For the 2007 assessment date, new construction increased 22% over the same amount added in the 2006 year. \$1,213,560,023 in real market value was added to the 2007 tax roll on 5,109 accounts. This is an increase of \$219,920,824 (22%) and 263 (5%) accounts appraised than the prior year.
- “Other exception value” (allowed outside of Measure 50 limits) in the amount of \$503,491,089 was added to the 2007 tax roll for 2,629 accounts involved in a property division. This is a 46% increase of \$159,383,498 from the prior year.
- An additional 2,953 accounts were involved in other property changes that required appraisal review.

### **Changes, Challenges, & Opportunities for FY 08-09**

- In 2007, we implemented a 3-year plan for realignment of all residential properties. In 2008, we will have completed and implemented the land study for the Pleasant Hill, Oakridge, Creswell and Lowell school districts and full recalculation of property tax accounts with 2008 real market values.
- We have developed a pilot project to review the process of how to realign and value income producing properties. We will complete a rent and expense study of all multifamily properties within Lane County including a multifamily land study. We will recalculate using our current software and income models to establish uniformed real market values within compliance per DOR standards for all apartments located outside the Eugene, Springfield, and Florence boundaries for the 2008 assessment year.
- Currently we are maintaining a minimal level of support for property tax appeals to the Board of Property Tax Appeals, Department of Revenue and Magistrate Court. Appraisers are starting to cross train in this area and more on site review will be conducted of appealed accounts.
- Establish a reappraisal plan for the review of properties under special use. Most of these properties have not been reviewed since the implementation of Measure 50 and the loss of field appraisers.
- Continue recruitment and training for entry level appraisers.

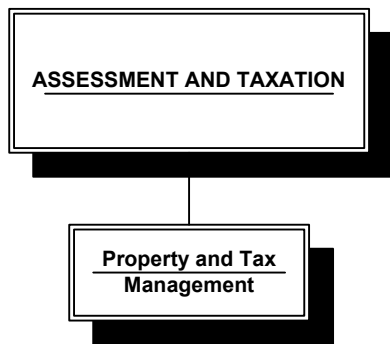
### **Performance Management**

The Property and Taxation Management Division is mandated to create and maintain accurate and current cadastral records and maps of property and ownership so an accurate real market and assessed value can be computed by the Appraisal Division and tax statements can be sent to the appropriate parties. These measures represent the Appraisal Division’s progress in processing the property divisions and to eliminate the backlog (includes subdivisions, lot lines, adjustments, consolidations, merges and unmerges of properties, fire patrol). The appraisal year runs from September-August.

# of Accounts pending an Appraisal – for January 1, 2007, all property tax accounts that were pending a property division and were routed to the Appraisal Section. Accounts are forwarded to the Appraisal Division after review by the Cartographic work unit and Property and Tax Management maintenance staff.

# of Accounts w/completed Appraisal – for January 1, 2007, all property tax accounts that were pending a property division and were routed, were completed by the Appraisal Division. Completed appraisals include, new real market values and exception value as applicable. Time period for completing appraisals involved in property divisions is March through August each year.

<b>DIVISION PERFORMANCE MEASURES</b>						
<b>Performance Measures</b>	<b>2005-06 Appraisal Year</b>	<b>2006-07 Appraisal Year</b>	<b>2007-08 Appraisal to Date</b>	<b>2007-08 Appraisal Target</b>	<b>2007-08 Appraisal Perf. Index</b>	<b>2008-09 Appraisal Target</b>
# of Accts pending an Appr.	4,832	4,940	5,583	4,001	Above Target	4,500
# of Accts w/completed Appr.	4,832	2,840	5,583	2,040	Far Exceeded Target	4,500



## Division Purpose Statement

*The purpose of the property and tax management division is to create and maintain accurate and current records of tangible property and associated ownership, to produce and update cadastral maps, apply special assessments, manage use assessments, administer state deferral and exemption programs, provide public information and bill, collect and distribute property tax monies for the citizens and service districts of Lane County, as mandated by Oregon law, the Lane County Strategic Plan, and departmental mission, vision, values and goal.*

## Division Locator

### **Assessment and Taxation**

*Administration  
Appraisal*

***Property and Tax Management*** ←

## Assessment and Taxation: Property and Tax Management

DIVISION FINANCIAL SUMMARY						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>RESOURCES:</b>						
Taxes and Assessments	257,327	243,518	215,000	220,000	5,000	2.33%
Fines, Forf, and Penalties	39,050	40,634	40,000	40,000	0	0.00%
Property and Rentals	20,722	18,828	12,000	12,000	0	0.00%
State Revenues	90,754	126,973	119,500	122,500	3,000	2.51%
Fees and Charges	1,572	1,228	0	0	0	0.00%
<b>Total Revenue</b>	<b>409,425</b>	<b>431,181</b>	<b>386,500</b>	<b>394,500</b>	<b>8,000</b>	<b>2.07%</b>
Resource Carryover	10,750	0	0	0	0	0.00%
<b>TOTAL RESOURCES</b>	<b>420,175</b>	<b>431,182</b>	<b>386,500</b>	<b>394,500</b>	<b>8,000</b>	<b>2.07%</b>
<b>EXPENDITURES:</b>						
Personnel Services	1,948,710	2,039,009	2,255,159	2,351,261	96,102	4.26%
Materials and Services	1,027,067	995,551	992,127	1,052,110	59,983	6.05%
Capital Expenses	0	19,491	0	0	0	0.00%
Fiscal Transactions	0	21,765	0	0	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>2,975,777</b>	<b>3,075,816</b>	<b>3,247,286</b>	<b>3,403,371</b>	<b>156,085</b>	<b>4.81%</b>
<b>Total FTE</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>EXPENDITURES BY FUND</b>						
General Fund	2,975,777	3,075,816	3,247,286	3,403,371	156,085	4.81%
<b>Funds Total</b>	<b>2,975,777</b>	<b>3,075,816</b>	<b>3,247,286</b>	<b>3,403,371</b>	<b>156,085</b>	<b>4.81%</b>

DIVISION FINANCIAL SUMMARY BY PROGRAM						
	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
<b>Programs</b>						
Property & Tax Management	2,975,777	3,075,816	3,247,286	3,403,371	156,085	4.81%
<b>Total Expenditures</b>	<b>2,975,777</b>	<b>3,075,816</b>	<b>3,247,286</b>	<b>3,403,371</b>	<b>156,085</b>	<b>4.81%</b>

# **Assessment and Taxation: Property and Tax Management**

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## **Division Overview**

The property and tax management division is responsible for maintaining the annual tax roll and for the collection and distribution of taxes. \$361.2 million was certified for FY 07-08 and on behalf of approximately 80 taxing districts. These services are mandated by Oregon law, the Oregon Constitution, the Lane County Strategic Plan, and departmental mission, vision, values and goals. The division is also responsible for maintaining ownership records of all property tax accounts in Lane County (currently numbering 196,500), which includes mapping of tax parcels, maintaining property changes (such as divisions and lot line adjustments), managing exemption, deferral and special assessment programs and providing extensive public information. Those services are mandated by Oregon State Constitution, Oregon Revised Statutes, Oregon Department of Revenue Administrative Rules, and Cadastral Map Standards.

## **Division Objectives for FY 08-09**

- Certify the tax roll and issue approximately 170,000 statements by October 25, 2008.
- By December 15, 2008 deposit all property tax payments postmarked by November 17, 2008.
- Complete all property changes by July 1<sup>st</sup>.
- Process ownership transfers timely to maintain accurate files on real property rolls.
- Continue progress on the migration from a manual/CAD mapping system to a GIS mapping system in accordance with statewide ORMMap goals.

## **Key Accomplishments in FY 07-08**

- We exceeded the expectations in the first two years of the three year plan with the Department of Revenue to eliminate the backlog in property divisions and eliminated the backlog in property divisions as of June 30, 2008.
- Certified a \$361,208,126.70 tax roll on October 5, 2007.
- All November 15 payments were processed by November 29, 2007.
- Provided public information to 44,400 customers via telephone and in person.
- Completed approximately 13,000 name and address changes resulting from recorded deeds.
- Ability to pay property taxes electronically via credit cards, debit cards and e-checks in April 2008.
- Distributed collected tax monies to over 80 service districts in Lane County per ORS 311.385.
- Updated 2,200 original tax accounts with property divisions (partition plats, subdivisions, etc.)
- Tax district boundaries are now current on assessor maps.

## **Changes, Challenges, & Opportunities for FY 08-09**

- Due to the elimination of the backlog in Cartography, we have been putting more resources on the project of migrating to GIS and are delivering more than estimated under the ORMMap grant which has been funding one cartography position since 2004. We only received half of the funding needed for 2008-09, and will pursue additional grant money in fall 2008.
- Exemption records are overdue for an audit. Since early 2008 we've been putting a part time resource on this project. We are finding numerous accounts receiving exemptions to which they are not entitled and making corrections accordingly.
- Due to lack of resources, staff relies almost exclusively on information voluntarily reported by taxpayers for personal property values. Many businesses with taxable personal property are not on the assessment roll and therefore have not paid taxes as required. The County's Internal Auditor will provide assistance with discovery of non-filers in early 2008-09.
- Due to a lack of resources, the non-exclusive farm use deferral program has not been audited to ensure only those accounts entitled to that deferral are receiving the benefit.

## **Assessment and Taxation: Property and Tax Management**

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- The abolishment of the Boundary Commission is having a significant impact on us in the area of annexations. Where we had dealt with a single entity, we now work with each city and the county individually. We are working to both educate the cities about our requirements and learn theirs.
- We have hired and/or promoted 9 people in the last 12 months and seven more in the 12 months before that and currently have three vacancies. We are aware of one retirement in 2008-09 and anticipate four more in the ensuing two years. We are spending a great deal of time in training and cross-training staff which has a negative impact on productivity, however with the decline in recordings, we have been able to manage bringing new employees into the department and keeping the roll current.

### **Performance Management**

Due to many years of inadequate resources to meet performance goals for property transfers and property divisions, a backlog in processing property divisions developed, which meant that people who initiated changes to their property (partitioning or subdividing, consolidating, moving lot lines) often did not see the actions reflected on the tax roll until years after the act. Many affected taxpayers were not aware that they were not paying the correct taxes on their property. The additional value created by these divisions was also not being placed on the tax roll in the year it should be, resulting in less revenue for the taxing districts. We reached our goal to eliminate the backlog: 20% by the end of 05-06, 40% by the end of 06-07 and the remainder by the end of 07-08.

# of Accounts Initiated - Total number of parent accounts involved in divisions initiated during the fiscal year. Includes new manufactured structure accounts, merges and unmerges and fire patrol account splits. Even though we lowered our targets anticipating the market slowdown, actuals came in even lower.

# of Accounts in Backlog - Total number of parent accounts which are involved in divisions but which were not processed by the prior fiscal year end.

# of Accounts Set Up - Total number of parent accounts involved in divisions which were set up in the software system in preparation for appraisers to value the property change. Includes new manufactured structure accounts, merges and unmerges and fire patrol account splits. Even though we lowered our targets anticipating the market slowdown, actuals came in even lower.

% of Accounts Set Up – The number of parent accounts set up divided by the sum of the parent accounts initiated and in the backlog. Basically, of the work there was to do, how much was actually processed.

<b>DIVISION PERFORMANCE MEASURES</b>						
<b>Performance Measures</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Actual</b>	<b>2007-08 Target</b>	<b>2007-08 Perf. Index</b>	<b>2008-09 Target</b>
# of Accounts Initiated	2,400	2,570	2,000	2,200	Below Target	2,000
# of Accounts in Backlog	2,615	1,578	323	BACKLOG ELIMINATED		
# of Accounts Set Up	3,035	3,297	2,200	3,000	Below Target	2,100
% of Accounts Set Up	60%	79%	94%	93%	Above Target	91%

## Assessment and Taxation

DEPARTMENT REVENUE SUMMARY						
Revenue Accounts	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Curr Bgt	FY 08-09 Adopted	\$ Chng Fr Curr	% Chng Fr Curr
Prior Years Property Taxes	(1)	0	0	0	0	0.00%
Miscellaneous Taxes	30	40	0	0	0	0.00%
Tax Penalties	254,805	231,511	215,000	220,000	5,000	2.33%
Other Tax Revenue	2,749	11,967	0	0	0	0.00%
<b>TAXES AND ASSESSMENTS</b>	<b>257,582</b>	<b>243,518</b>	<b>215,000</b>	<b>220,000</b>	<b>5,000</b>	<b>2.33%</b>
Foreclosure Penalty	30,820	27,236	30,000	30,000	0	0.00%
Late Filing Penalties	8,230	13,398	10,000	10,000	0	0.00%
<b>FINES, FORF, AND PENALTIES</b>	<b>39,050</b>	<b>40,634</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>0.00%</b>
Map Sales	195	0	0	0	0	0.00%
Miscellaneous Sales	24,143	21,508	14,500	14,500	0	0.00%
<b>PROPERTY AND RENTALS</b>	<b>24,338</b>	<b>21,508</b>	<b>14,500</b>	<b>14,500</b>	<b>0</b>	<b>0.00%</b>
Local Staff	20,000	18,400	20,000	20,000	0	0.00%
<b>STATE GRANT REVENUES</b>	<b>20,000</b>	<b>18,400</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>	<b>0.00%</b>
Department of Revenue	39,159	70,653	68,500	70,000	1,500	2.19%
DCBS Fee Revenue	30,585	37,140	30,000	30,000	0	0.00%
DCBS Misc Revenue	1,010	780	1,000	2,500	1,500	150.00%
<b>OTHER STATE REVENUES</b>	<b>70,754</b>	<b>108,573</b>	<b>99,500</b>	<b>102,500</b>	<b>3,000</b>	<b>3.02%</b>
Miscellaneous Svc Charges	1,350	1,060	0	0	0	0.00%
Refunds & Reimbursements	270	247	0	0	0	0.00%
<b>FEES AND CHARGES</b>	<b>1,620</b>	<b>1,307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Fund Balance	0	35,000	20,000	0	(20,000)	-100.00%
Non Discretionary	10,750	0	0	0	0	0.00%
<b>FISCAL TRANSACTIONS</b>	<b>10,750</b>	<b>35,000</b>	<b>20,000</b>	<b>0</b>	<b>(20,000)</b>	<b>-100.00%</b>
<b>TOTAL RESOURCES</b>	<b>424,094</b>	<b>468,940</b>	<b>409,000</b>	<b>397,000</b>	<b>(12,000)</b>	<b>-2.93%</b>

## Assessment and Taxation

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>Expenditure Accounts</b>	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Curr Bgt</b>	<b>FY 08-09 Adopted</b>	<b>\$ Chng Fr Curr</b>	<b>% Chng Fr Curr</b>
Permanent Operating Salaries	2,264,102	2,338,793	2,502,800	2,552,855	50,055	2.00%
Extra Help	57,512	45,294	32,620	50,004	17,384	53.29%
Overtime	35,822	17,473	20,304	20,304	0	0.00%
Reduction Unfunded Vac Liab	29,473	38,634	47,932	36,340	(11,592)	-24.18%
Compensatory Time	2,308	3,257	6,000	6,000	0	0.00%
Employee Benefits	1,452,545	1,485,507	0	0	0	0.00%
Risk Management Benefits	25,585	20,303	11,975	10,619	(1,356)	-11.32%
Social Security Expense	0	0	162,356	165,026	2,670	1.64%
Medicare Insurance Expense	0	0	38,084	38,644	560	1.47%
Unemployment Insurance (State)	0	0	26,206	28,190	1,984	7.57%
Workers Comp	0	0	13,173	7,964	(5,209)	-39.54%
Disability Insurance - Long-term	0	0	25,687	25,959	272	1.06%
PERS - OPSRP Employer rate	0	0	306,814	326,366	19,552	6.37%
PERS Bond	0	160,871	153,501	134,698	(18,803)	-12.25%
PERS - 6% Pickup	0	0	153,802	159,743	5,941	3.86%
Health Insurance	0	0	738,000	819,180	81,180	11.00%
Dental Insurance	0	0	68,400	75,660	7,260	10.61%
Vision Insurance	0	0	13,680	15,000	1,320	9.65%
EE Assistance Pgm - IBH	0	0	4,320	3,600	(720)	-16.67%
Life Insurance	0	0	11,520	11,520	0	0.00%
Flexible Spending	0	0	720	720	0	0.00%
Disability Insurance - Short Term	0	0	1,440	1,440	0	0.00%
Defer. Comp Employer Contrib.	0	0	4,046	4,125	79	1.95%
Retiree Medical	0	0	119,131	125,456	6,325	5.31%
<b>PERSONNEL SERVICES</b>	<b>3,867,348</b>	<b>4,110,134</b>	<b>4,462,511</b>	<b>4,619,413</b>	<b>156,902</b>	<b>3.52%</b>
Professional & Consulting	72,736	89,858	88,445	88,445	0	0.00%
Data Processing Services	391	0	20,000	20,000	0	0.00%
Telephone Services	23,286	23,593	29,960	29,960	0	0.00%
Purchased Insurance	9,152	9,536	13,225	13,878	653	4.94%
Maintenance of Equipment	8,896	4,488	2,050	4,800	2,750	134.15%
Maintenance Agreements	5,744	117,302	15,260	15,260	0	0.00%
Fleet Services Rentals	24,120	30,721	40,360	40,327	(33)	-0.08%
Copier Charges	5,876	5,728	5,600	5,600	0	0.00%
Mail Room Charges	19,515	15,196	22,000	22,000	0	0.00%
Direct/Information Services	614,268	709,073	702,930	736,184	33,254	4.73%
County Overhead Charges	415,803	430,980	496,164	492,882	(3,282)	-0.66%
PC Replacement Services	29,076	29,709	39,680	37,860	(1,820)	-4.59%
Office Supplies & Expense	40,107	32,651	40,440	40,440	0	0.00%
Membrshp/Professional Licenses	1,904	8,243	2,775	2,775	0	0.00%
Printing & Binding	35,662	12,817	55,500	55,500	0	0.00%
Advertising & Publicity	13,112	5,847	9,725	9,725	0	0.00%
Microfilm Imaging Services	4,607	5,140	3,000	3,000	0	0.00%
Postage	78,892	88,974	90,200	90,200	0	0.00%

## Assessment and Taxation

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>Expenditure Accounts</b>	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Curr Bgt</b>	<b>FY 08-09 Adopted</b>	<b>\$ Chng Fr Curr</b>	<b>% Chng Fr Curr</b>
DP Supplies And Access	38,648	48,496	15,200	15,800	600	3.95%
DP Equipment	11,908	0	0	0	0	0.00%
Business Expense & Travel	7,904	4,762	15,260	15,760	500	3.28%
Awards & Recognition	2,881	4,829	3,075	3,075	0	0.00%
Outside Education & Travel	28,553	34,674	37,800	37,200	(600)	-1.59%
County Training Classes	1,100	1,504	4,900	4,900	0	0.00%
Training Services & Materials	300	0	0	0	0	0.00%
<b>MATERIALS &amp; SERVICES</b>	<b>1,494,441</b>	<b>1,714,144</b>	<b>1,753,549</b>	<b>1,785,571</b>	<b>32,022</b>	<b>1.83%</b>
Vehicles	22,998	12,454	0	0	0	0.00%
Reproducing & Duplicating	0	13,645	0	0	0	0.00%
Data Processing Equipment	0	5,846	0	0	0	0.00%
<b>CAPITAL OUTLAY</b>	<b>22,998</b>	<b>31,945</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Transfer To Capital Proj. Funds	10,000	21,765	0	0	0	0.00%
<b>FUND TRANSFERS</b>	<b>10,000</b>	<b>21,765</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL EXPENDITURES</b>	<b>5,394,787</b>	<b>5,877,987</b>	<b>6,216,060</b>	<b>6,404,984</b>	<b>188,924</b>	<b>3.04%</b>