

# Department of Assessment and Taxation

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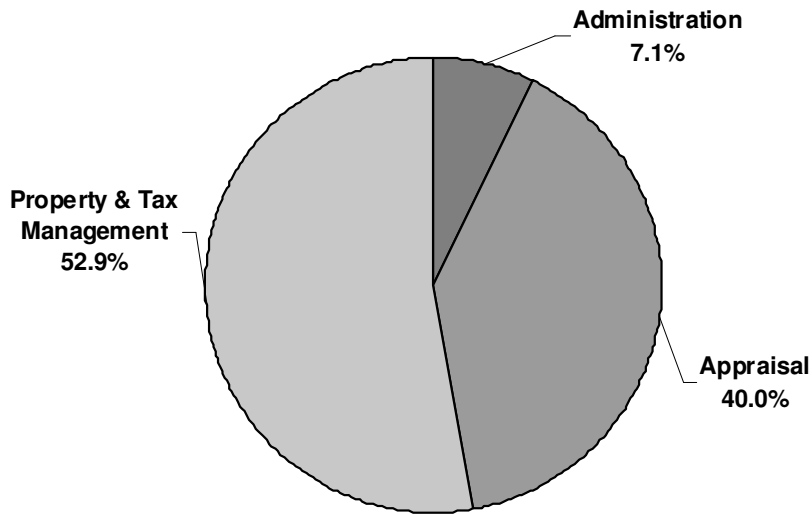
## Department Purpose

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.

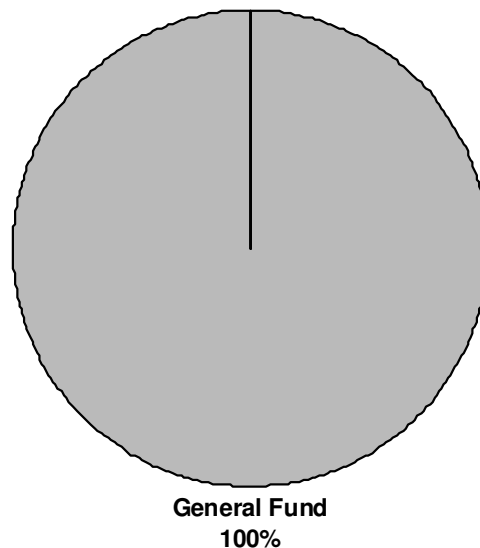
## Total Expenditures

\$7,000,972

### FY 10-11 Expenditures by Division



### FY 10-11 Budget by Fund



Anette Spickard  
Assessor  
541-682-6798

# Assessment and Taxation

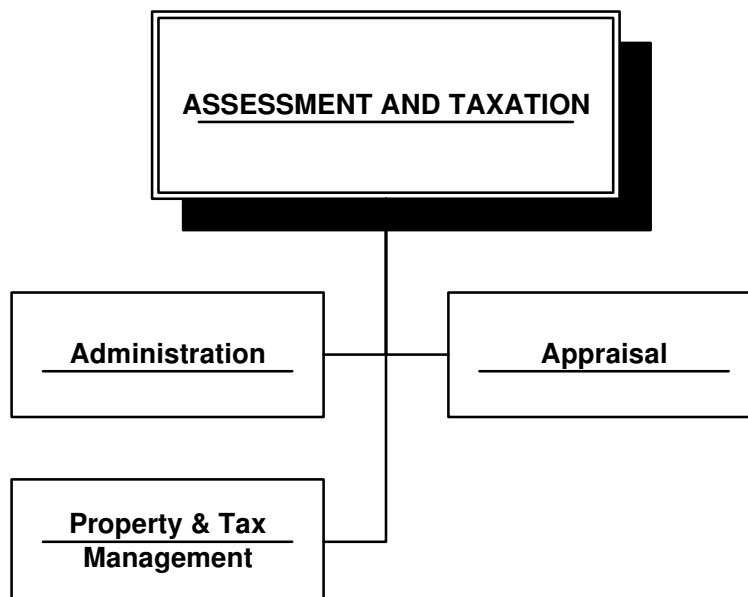
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## Department Overview

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 172,000 taxable properties and in 2009 the grand total of property tax certified for collection on behalf of all local governments amounted to \$407.4 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 82 active taxing jurisdictions including cities, school districts, fire districts, urban renewal districts, and other special districts. Approximately 49 percent of tax collections are used for public education including K-12 and community colleges. About 34 percent goes to cities which provide services such as police, fire and recreation. About 3 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. We plan to update the plan in FY 2010-11 and develop goals through 2015, as many of the key objectives identified have been accomplished. Our department's strategic goals and objectives support and complement the Lane County Strategic Objectives that were adopted by the Board of Commissioners in 2008. Listed below are the current department goals and objectives for FY 2010-11.

### **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 (Supports Board of Commissioners Goal #2)**

- Provide a full range of online property tax information and services.
- Provide a self-help customer service area with maps and property 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 (Supports Board of Commissioners Goal #3)**

- 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 public communication 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 09-10

We have completed a "realignment" of residential neighborhoods in the Florence, Siuslaw, Mapleton, Blachly, South Lane, Creswell, Pleasant Hill, Oakridge and the Lowell area school district boundaries using Geographic Information Systems (GIS) technology and the most recent real estate market activity. The realignment project will continue in 2010 for Junction City, Veneta, Crow, Monroe, Marcola and McKenzie school districts. (Goal #1)

The Appraisal Division completed a rent and expense study on all rural and Springfield multifamily properties within Lane County including a multifamily land study. This included recalculation using our current software and income models to establish uniform real market values within COD compliance per DOR standards for all apartments located outside the Eugene and Florence boundaries. In FY 2009-10 more than 131,000 accounts (77%) were recalculated for increased uniformity and equity, while maintaining compliance with Measure 50 requirements. (Goal #1 and Goal #3)

The Property and Tax Management Division continued to use the most efficient and cost effective means to collect and process tax payments by utilizing online tax payment functionality and the US Bank Lockbox service. Our cartography staff uses GIS mapping tools and data models that are considered leading-edge statewide and even with reduced grant funding, we are at 72% of the map conversion from CAD to GIS, in conformance with ORMAP statewide standards. Staff is working on densely populated areas of the county currently and is on track to meet the 2012 completion goal. (Goals #2 and #3)

## Assessment and Taxation

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We continually update our website and have successfully transitioned to the SharePoint software. Our website is consistently one of the most visited county sites and we provide tax statements from 2003 forward. A new road billing and tracking software was implemented in FY 09-10. Even with upcoming retirements occurring for long-term employees, the department is keeping up with succession planning and providing training and promotional opportunities as available. An increased emphasis has been placed on cross training and updating documentation in anticipation of retirements in key positions within the department. (Goals #2 and #4)

### **Changes, Challenges & Opportunities for FY 10-11**

For FY 10-11, 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 the County Assessment Function Funding Assistance (CAFFA) grant which subsidizes the county's costs to administer the local tax system by approximately 22%. 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's A & T functions are 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. 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.

In the latter part of 2008 and in 2009, there was a decline in the real estate market and slowdown in new construction within the county. Values overall are declining and taxpayers may expect to see a drop in their tax, however assessed values will continue to rise 3% per the state constitution. Appeals for the 2009 values were lower than expected and we attribute that to accurate property values and our outreach and public information efforts.

The tax collection rate for 2009 taxes between certification in early October and when the November tax payments were posted in late November showed that the percentage collected came in at the same rate as previous years. The next major tax collection occurs in November 2010.

### **Performance Management**

Total Property Tax Certified is the amount of all property tax billed to property owners by October 25 for over 82 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 4.3% 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 09-10 was \$407,429,170.69.

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. Tax districts use this rate to help them budget for tax revenues. We have seen only a slight drop in collections as a result of the recession. 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 as of June 30, 2009 was \$356,777,121.

## Assessment and Taxation

Total Measure 5 Real Market Value represents the real market value of all property in Lane County as of January 1 of 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 09-10 was \$48,808,187,117 which is a decline of 3.85%.

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 09-10 was \$25,628,143,143.

<b>DEPARTMENT PERFORMANCE MEASURES</b>						
<b>Performance Measures</b>	<b>2007-08 Actual</b>	<b>2008-09 Actual</b>	<b>2009-10 Actual</b>	<b>2009-10 Target</b>	<b>Comment</b>	<b>2010-11 Projected</b>
Property Tax Certified	\$361.2 m	\$379.6 m	\$407.4 m	\$390.6 m	Above Target	\$400 m
Property Tax Collected	\$338.8 m	\$356.8 m	\$352.8 m through Jan 2010	\$367.1 m	Above Target	\$376 m
% of Tax Collected	94%	94%	86% through Jan 2010	94%	On Target	94%
Measure 5 Real Mkt Value	\$48.5 b	\$50.7 b	\$48.8 b	\$45.7 b	Above Target	\$47 b
Taxable Value (Before UR)	\$23.7 b	\$24.6 b	\$25.6 b	\$24.9 b	Above Target	\$25 b

## Assessment and Taxation

DEPARTMENT FINANCIAL SUMMARY						
	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Curr Bgt	FY 10-11 Proposed	\$ Chng Fr Curr	% Chng Fr Curr
<b>RESOURCES:</b>						
Taxes and Assessments	268,580	288,158	225,000	230,000	5,000	2.22%
Fines, Forf, and Penalties	92,308	104,104	40,000	50,000	10,000	25.00%
Property and Rentals	23,683	18,621	14,500	12,500	(2,000)	-13.79%
State Revenues	125,040	111,590	123,000	89,000	(34,000)	-27.64%
Fees and Charges	1,578	1,222		1,000	1,000	100.00%
<b>Total Revenue</b>	511,189	523,695	402,500	382,500	(20,000)	-4.97%
Resource Carryover	20,000	0	0	0	0	0.00%
<b>TOTAL RESOURCES</b>	531,189	523,695	402,500	382,500	(20,000)	-4.97%
<b>EXPENDITURES:</b>						
Personnel Services	3,997,353	4,487,440	4,891,757	5,120,891	229,134	4.68%
Materials and Services	1,723,449	1,666,244	1,884,790	1,880,081	(4,709)	-0.25%
Capital Expenses	0	42,029	0	0	0	0.00%
<b>TOTAL EXPENDITURES</b>	5,720,803	6,195,714	6,776,547	7,000,972	224,425	3.31%
<b>Total FTE</b>	60.00	60.00	60.00	60.00	0.00	0.00%
<b>EXPENDITURES BY FUND</b>						
General Fund	5,720,803	6,195,714	6,776,547	7,000,972	224,425	3.31%
<b>TOTAL FUNDS</b>	5,720,803	6,195,714	6,776,547	7,000,972	224,425	3.31%

DEPARTMENT FINANCIAL SUMMARY BY PROGRAM						
	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Curr Bgt	FY 10-11 Proposed	\$ Chng Fr Curr	% Chng Fr Curr
<b>PROGRAMS</b>						
A & T Administration	464,377	466,373	503,837	515,514	11,677	2.32%
Appraisal	2,158,285	2,486,750	2,717,971	2,807,907	89,936	3.31%
Property & Tax Management	3,098,141	3,242,591	3,554,739	3,677,551	122,812	3.45%
<b>TOTAL EXPENDITURES</b>	5,720,803	6,195,713	6,776,547	7,000,972	224,425	3.31%

## Assessment and Taxation

DEPARTMENT REVENUE SUMMARY						
REVENUE ACCOUNTS	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Curr Bgt	FY 10-11 Proposed	\$ Chng Fr Curr	% Chng Fr Curr
Miscellaneous Taxes	0	27	0	0	0	0.00%
Tax Penalties	268,530	288,122	225,000	230,000	5,000	2.22%
Other Tax Revenue	50	10	0	0	0	0.00%
<b>TAXES AND ASSESSMENTS</b>	<b>268,580</b>	<b>288,158</b>	<b>225,000</b>	<b>230,000</b>	<b>5,000</b>	<b>2.22%</b>
Foreclosure Penalty	34,724	35,166	30,000	30,000	0	0.00%
Late Filing Penalties	57,585	68,937	10,000	20,000	10,000	100.00%
<b>FINES, FORF, AND PENALTIES</b>	<b>92,308</b>	<b>104,104</b>	<b>40,000</b>	<b>50,000</b>	<b>10,000</b>	<b>25.00%</b>
Miscellaneous Sales	23,683	18,621	14,500	12,500	(2,000)	-13.79%
<b>PROPERTY AND RENTALS</b>	<b>23,683</b>	<b>18,621</b>	<b>14,500</b>	<b>12,500</b>	<b>(2,000)</b>	<b>-13.79%</b>
Local Staff	10,000	0	20,000	0	(20,000)	-100.00%
<b>STATE GRANT REVENUES</b>	<b>10,000</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>(20,000)</b>	<b>-100.00%</b>
Department of Revenue	72,000	72,000	70,000	55,000	(15,000)	-21.43%
DCBS Fee Revenue	34,405	32,040	30,000	30,000	0	0.00%
DCBS Misc Revenue	8,635	7,550	3,000	4,000	1,000	33.33%
<b>OTHER STATE REVENUES</b>	<b>115,040</b>	<b>111,590</b>	<b>103,000</b>	<b>89,000</b>	<b>(14,000)</b>	<b>-13.59%</b>
Miscellaneous Svc Charges	1,515	1,200	0	1,000	1,000	100.00%
Refunds & Reimbursements	63	22	0	0	0	0.00%
<b>FEES AND CHARGES</b>	<b>1,578</b>	<b>1,222</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>100.00%</b>
Fund Balance	20,000	0	0	0	0	0.00%
<b>FISCAL TRANSACTIONS</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL RESOURCES</b>	<b>531,189</b>	<b>523,695</b>	<b>402,500</b>	<b>382,500</b>	<b>(20,000)</b>	<b>-4.97%</b>

## Assessment and Taxation

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>EXPENDITURE ACCOUNTS</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Curr Bgt</b>	<b>FY 10-11 Proposed</b>	<b>\$ Chng Fr Curr</b>	<b>% Chng Fr Curr</b>
Permanent Operating Salaries	2,296,845	2,517,326	2,699,260	2,800,348	101,088	3.75%
Extra Help	24,206	34,166	50,004	50,004	0	0.00%
Overtime	4,067	16,016	20,304	20,304	0	0.00%
Reduction Unfunded Vac Liab	22,279	20,366	30,001	40,035	10,034	33.45%
Compensatory Time	929	942	6,000	6,000	0	0.00%
Risk Management Benefits	11,975	10,619	8,577	5,343	(3,234)	-37.71%
Social Security Expense	144,317	157,336	173,808	180,750	6,942	3.99%
Medicare Insurance Expense	33,879	36,877	40,652	42,227	1,575	3.87%
Unemployment Insurance (State)	23,741	25,852	28,591	28,849	258	0.90%
Workers Comp	8,374	8,950	8,441	8,753	312	3.70%
Disability Insurance - Long Term	18,867	20,644	27,563	22,939	(4,624)	-16.78%
PERS - OPSRP Employer rate	260,853	303,835	282,925	332,199	49,274	17.42%
PERS Bond	153,501	134,698	206,667	186,335	(20,332)	-9.84%
PERS - 6% Pickup	126,257	148,738	167,729	173,256	5,527	3.30%
Health Insurance	663,580	814,022	879,240	948,553	69,313	7.88%
Dental Insurance	62,625	71,481	76,988	82,506	5,518	7.17%
Vision Insurance	12,379	18,095	19,380	21,420	2,040	10.53%
EE Assistance Pgm - IBH	3,533	3,730	3,600	3,600	0	0.00%
Life Insurance	7,614	9,036	11,520	11,520	0	0.00%
Flexible Spending	512	893	708	720	12	1.69%
Disability Insurance - Short Term	1,344	1,418	1,440	1,440	0	0.00%
Defer. Comp Employer Contrib.	6,673	8,214	10,111	10,517	406	4.02%
Retiree Medical	109,006	124,186	138,248	143,273	5,025	3.63%
<b>PERSONNEL SERVICES</b>	<b>3,997,353</b>	<b>4,487,440</b>	<b>4,891,757</b>	<b>5,120,891</b>	<b>229,134</b>	<b>4.68%</b>
Professional & Consulting	105,941	39,766	88,445	90,945	2,500	2.83%
Telephone Services	24,767	25,711	29,960	29,960	0	0.00%
Purchased Insurance	13,225	13,878	16,925	21,561	4,636	27.39%
Maintenance of Equipment	7,486	4,907	4,800	4,800	0	0.00%
Maintenance Agreements	7,039	12,990	15,260	15,260	0	0.00%
Fleet Services Rentals	34,158	42,718	40,279	41,328	1,049	2.60%
Copier Charges	4,956	5,245	8,600	8,600	0	0.00%
Mail Room Charges	13,295	15,015	23,050	25,000	1,950	8.46%
Direct/Information Services	743,684	762,950	865,034	807,870	(57,164)	-6.61%
County Overhead Charges	496,164	492,882	470,415	491,595	21,180	4.50%
PC Replacement Services	39,680	37,860	39,090	45,905	6,815	17.43%
Office Supplies & Expense	36,553	23,771	40,440	40,440	0	0.00%
Membrshp/Professionl Licenses	2,083	2,454	2,775	4,100	1,325	47.75%
Printing & Binding	43,265	44,687	55,500	55,500	0	0.00%
Advertising & Publicity	4,675		9,725	9,725	0	0.00%
Microfilm Imaging Services	5,782	5,928	3,000	6,000	3,000	100.00%
Postage	91,565	95,812	94,757	104,757	10,000	10.55%
DP Supplies and Access	9,991	2,531	15,800	15,800	0	0.00%

## Assessment and Taxation

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>EXPENDITURE ACCOUNTS</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Curr Bgt</b>	<b>FY 10-11 Proposed</b>	<b>\$ Chng Fr Curr</b>	<b>% Chng Fr Curr</b>
Food	66	0	0	0	0	0.00%
Business Expense & Travel	16,650	18,517	15,760	15,760	0	0.00%
Awards & Recognition	1,732	1,363	3,075	3,075	0	0.00%
Outside Education & Travel	17,243	15,412	37,200	37,200	0	0.00%
County Training Classes	3,450	1,849	4,900	4,900	0	0.00%
<b>MATERIALS &amp; SERVICES</b>	<b>1,723,450</b>	<b>1,666,244</b>	<b>1,884,790</b>	<b>1,880,081</b>	<b>(4,709)</b>	<b>-0.25%</b>
Improvements	0	42,029	0	0	0	0.00%
<b>CAPITAL PROJECTS</b>	<b>0</b>	<b>42,029</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL EXPENDITURES</b>	<b>5,720,803</b>	<b>6,195,713</b>	<b>6,776,547</b>	<b>7,000,972</b>	<b>224,425</b>	<b>3.31%</b>

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