

# Department of Assessment and Taxation

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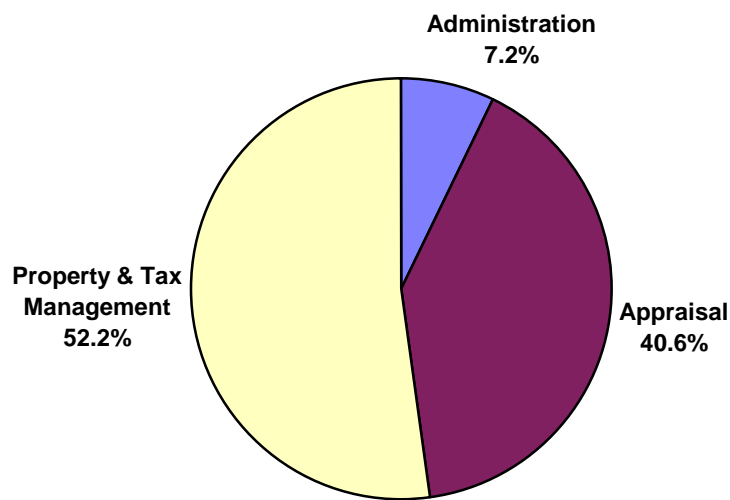
## Department Purpose

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.

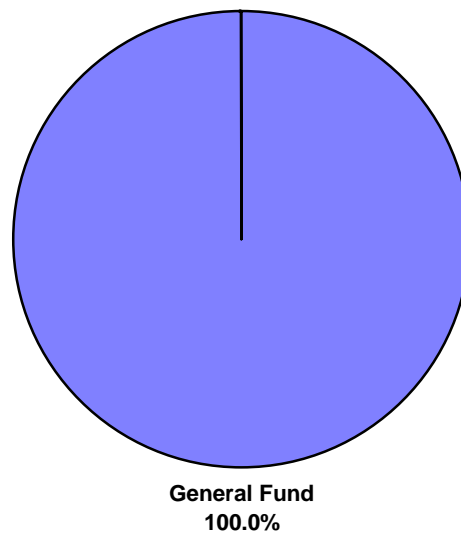
## Total Expenditures

\$6,857,109

### FY 09-10 Expenditures by Division



### FY 09-10 Budget by Fund



Anette Spickard  
Assessor  
682-6798

# Assessment and Taxation

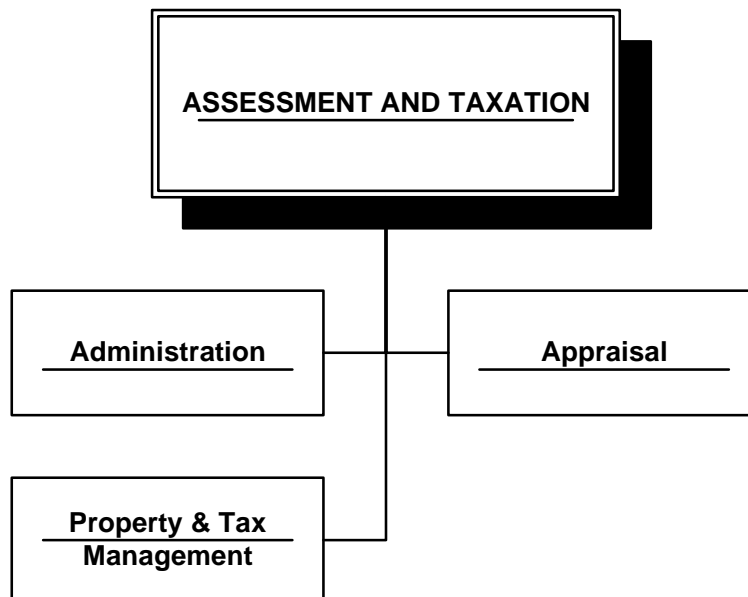
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## Department Overview

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 172,000 taxable properties and in 2008 the grand total of property tax certified for collection on behalf of all local governments amounted to \$379.6 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. We are hoping to update the plan in FY 2009-10 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 2009-10.

### **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 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 (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 08-09

Progress towards the deficiencies identified in 2004 by the Oregon Department of Revenue (DOR) in a functional analysis report has and continues to occur. We completed a "realignment" of residential neighborhoods in the Florence, Siuslaw, Mapleton and Blachly area boundaries using Geographic Information Systems (GIS) technology and the most recent real estate market activity. Prior year realignment included: South Lane, Creswell, Pleasant Hill, Oakridge and Lowell. (Goal #1)

The Appraisal Division is in the process of physical reappraisal of Lane County rural apartments; implementing a new naming convention for commercial, multifamily and rural apartment accounts; and completed a rent and expense study of all multifamily properties for Eugene, Springfield and Florence boundaries. In FY 2008-09 more than 114,000 accounts were recalculated for increased uniformity and equity, while maintaining compliance with Measure 50 requirements. (Goal #1 and Goal #3)

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 which 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 and it continues to grow in popularity as a payment option by Lane County taxpayers. (Goals #2 and #3)

## Assessment and Taxation

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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 we provide tax statements from 2003 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. The department had 16% turnover in FY 08-09, but our customer service and public information remain a strong component and goal of our operations. (Goals #2 and #4)

### **Changes, Challenges & Opportunities for FY 09-10**

For fiscal year 09-10, 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. 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.

Due to the decline in the real estate market and slowdown in new construction within the county, taxpayers may expect to see a drop in tax. The assessed value will continue to rise 3% per Ballot Measure 50, and we expect to see an increase in appeals filed in December 2009.

Additionally, as recording activity declines at the Deeds and Records Office, there is a potential impact to the State ORMAP Fund. Our office has relied on this to fund 1 FTE since 2004-05. A \$1.00 per document recording fee goes to the Department of Revenue project, the goal of which is to create a state-wide base map system to be used in administering the property tax system. Lane County has converted 54% of its maps and 38% of its tax lots to GIS and is on track to meet the goal of finishing conversion by 2012.

Collection of property taxes remains on target at this point. Currently the department collection rate is at 94%. The next major tax collection occurs in November 2009 and we will be able to see if the economy has a major impact on collections. It is possible more taxpayers will choose to pay in thirds, instead of in full.

### **Performance Management**

Total Property Tax Certified is the amount of all property tax billed to property owners on 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 4.85% 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 08-09 was \$379,587,731.15.

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

## Assessment and Taxation

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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 as of December 31, 2008 was \$336,759,212.

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 08-09 was \$50,761,973,710.

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 078-09 was \$24,571,615,123.

<b>Performance Measures</b>	<b>2006-07 Actual</b>	<b>2007-08 Actual</b>	<b>2008-09 Actual</b>	<b>2008-09 Target</b>	<b>Comment</b>	<b>2009-10 Target</b>
Property Tax Certified	\$350.8 m	\$361.2 m	\$379.6 m	\$372.0 m	Above Target	\$390.6 m
Property Tax Collected	\$332.5 m	\$338.8 m	\$356.8 m estimate	\$350.0 m	Above Target	\$367.1 m
% of Tax Collected	95%	94%	94%	94%	On Target	94%
Measure 5 Real Mkt Value	\$42.5 b	\$48.5 b	\$50.7 b	\$50.8 b	On Target	\$45.7 b
Taxable Value (Before UR)	\$22.4 b	\$23.7 b	\$24.6 b	\$25.4 b	Below Target	\$24.9 b

## Assessment and Taxation

DEPARTMENT FINANCIAL SUMMARY						
	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Curr Bgt	FY 09-10 Proposed	\$ Chng Fr Curr	% Chng Fr Curr
<b>RESOURCES:</b>						
Taxes and Assessments	243,518	268,580	220,000	225,000	5,000	2.27%
Fines, Forf, and Penalties	40,634	92,308	82,029	40,000	(42,029)	-51.24%
Property and Rentals	21,508	23,683	14,500	14,500	0	0.00%
State Revenues	126,973	125,040	122,500	123,000	500	0.41%
Fees and Charges	1,306	1,578	0	0	0	0.00%
<b>Total Revenue</b>	<b>433,939</b>	<b>511,189</b>	<b>439,029</b>	<b>402,500</b>	<b>(36,529)</b>	<b>-8.32%</b>
Resource Carryover	35,000	20,000	0	0	0	0.00%
<b>TOTAL RESOURCES</b>	<b>468,940</b>	<b>531,189</b>	<b>439,029</b>	<b>402,500</b>	<b>(36,529)</b>	<b>-8.32%</b>
<b>EXPENDITURES:</b>						
Personnel Services	4,110,134	3,997,353	4,619,413	4,972,319	352,906	7.64%
Materials and Services	1,714,144	1,723,449	1,785,571	1,884,790	99,219	5.56%
Capital Expenses	31,945	0	42,029	0	(42,029)	-100.00%
Fiscal Transactions	21,765	0	0	0	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>5,877,988</b>	<b>5,720,803</b>	<b>6,447,013</b>	<b>6,857,109</b>	<b>410,096</b>	<b>6.36%</b>
<b>Total FTE</b>	<b>61.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>EXPENDITURES BY FUND</b>						
General Fund	5,877,987	5,720,803	6,447,013	6,857,109	410,096	6.36%
<b>TOTAL FUNDS</b>	<b>5,877,987</b>	<b>5,720,803</b>	<b>6,447,013</b>	<b>6,857,109</b>	<b>410,096</b>	<b>6.36%</b>

DEPARTMENT FINANCIAL SUMMARY BY PROGRAM						
	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Curr Bgt	FY 09-10 Proposed	\$ Chng Fr Curr	% Chng Fr Curr
<b>PROGRAMS</b>						
A & T Administration	556,135	464,377	545,030	507,817	(37,213)	-6.83%
Appraisal	2,246,037	2,158,285	2,498,612	2,750,858	252,246	10.10%
Property & Tax Management	3,075,816	3,098,141	3,403,371	3,598,434	195,063	5.73%
<b>TOTAL EXPENDITURES</b>	<b>5,877,987</b>	<b>5,720,803</b>	<b>6,447,013</b>	<b>6,857,109</b>	<b>410,096</b>	<b>6.36%</b>

## Assessment and Taxation

DEPARTMENT REVENUE SUMMARY						
	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Curr Bgt	FY 09-10 Proposed	\$ Chng Fr Curr	% Chng Fr Curr
<b>REVENUE ACCOUNTS</b>						
Miscellaneous Taxes	40	0	0	0	0	0.00%
Tax Penalties	231,511	268,530	220,000	225,000	5,000	2.27%
Other Tax Revenue	11,967	50	0	0	0	0.00%
<b>TAXES AND ASSESSMENTS</b>	<b>243,518</b>	<b>268,580</b>	<b>220,000</b>	<b>225,000</b>	<b>5,000</b>	<b>2.27%</b>
Foreclosure Penalty	27,236	34,724	30,000	30,000	0	0.00%
Late Filing Penalties	13,398	57,585	52,029	10,000	(42,029)	-80.78%
<b>FINES, FORF, AND PENALTIES</b>	<b>40,634</b>	<b>92,308</b>	<b>82,029</b>	<b>40,000</b>	<b>(42,029)</b>	<b>-51.24%</b>
Miscellaneous Sales	21,508	23,683	14,500	14,500	0	0.00%
<b>PROPERTY AND RENTALS</b>	<b>21,508</b>	<b>23,683</b>	<b>14,500</b>	<b>14,500</b>	<b>0</b>	<b>0.00%</b>
Local Staff	18,400	10,000	20,000	20,000	0	0.00%
<b>STATE GRANT REVENUES</b>	<b>18,400</b>	<b>10,000</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>	<b>0.00%</b>
Department of Revenue	70,653	72,000	70,000	70,000	0	0.00%
DCBS Fee Revenue	37,140	34,405	30,000	30,000	0	0.00%
DCBS Misc Revenue	780	8,635	2,500	3,000	500	20.00%
<b>OTHER STATE REVENUES</b>	<b>108,573</b>	<b>115,040</b>	<b>102,500</b>	<b>103,000</b>	<b>500</b>	<b>0.49%</b>
Miscellaneous Svc Charges	1,060	1,515	0	0	0	0.00%
Refunds & Reimbursements	247	63	0	0	0	0.00%
<b>FEES AND CHARGES</b>	<b>1,307</b>	<b>1,578</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Fund Balance	35,000	20,000	0	0	0	0.00%
<b>FISCAL TRANSACTIONS</b>	<b>35,000</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL RESOURCES</b>	<b>468,940</b>	<b>531,189</b>	<b>439,029</b>	<b>402,500</b>	<b>(36,529)</b>	<b>-8.32%</b>

## Assessment and Taxation

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>EXPENDITURE ACCOUNTS</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>\$ Chng</b>	<b>% Chng</b>
	<b>Actual</b>	<b>Actual</b>	<b>Curr Bgt</b>	<b>Proposed</b>	<b>Fr Curr</b>	<b>Fr Curr</b>
Permanent Operating Salaries	2,338,793	2,296,845	2,552,855	2,699,260	146,405	5.73%
Extra Help	45,294	24,206	50,004	50,004	0	0.00%
Overtime	17,473	4,067	20,304	20,304	0	0.00%
Reduction Unfunded Vac Liab	38,634	22,279	36,340	30,001	(6,339)	-17.44%
Compensatory Time	3,257	929	6,000	6,000	0	0.00%
Employee Benefits	1,485,507	0	0	0	0	0.00%
Risk Management Benefits	20,303	11,975	10,619	8,577	(2,042)	-19.23%
Social Security Expense	0	144,317	165,026	173,808	8,782	5.32%
Medicare Insurance Expense	0	33,879	38,644	40,652	2,008	5.20%
Unemployment Insurance (State)	0	23,741	28,190	28,591	401	1.42%
Workers Comp	0	8,374	7,964	8,441	477	5.99%
Disability Insurance - Long-term	0	18,867	25,959	27,563	1,604	6.18%
PERS - OPSRP Employer rate	0	260,853	326,366	282,925	(43,441)	-13.31%
PERS Bond	160,871	153,501	134,698	206,667	71,969	53.43%
PERS - 6% Pickup	0	126,257	159,743	167,729	7,986	5.00%
Health Insurance	0	663,580	819,180	951,882	132,702	16.20%
Dental Insurance	0	62,625	75,660	83,588	7,928	10.48%
Vision Insurance	0	12,379	15,000	20,700	5,700	38.00%
EE Assistance Pgm - IBH	0	3,533	3,600	3,600	0	0.00%
Life Insurance	0	7,614	11,520	11,520	0	0.00%
Flexible Spending	0	512	720	708	(12)	-1.67%
Disability Insurance - Short Term	0	1,344	1,440	1,440	0	0.00%
Defer. Comp Employer Contrib.	0	6,673	4,125	10,111	5,986	145.12%
Retiree Medical	0	109,006	125,456	138,248	12,792	10.20%
<b>PERSONNEL SERVICES</b>	<b>4,110,134</b>	<b>3,997,353</b>	<b>4,619,413</b>	<b>4,972,319</b>	<b>352,906</b>	<b>7.64%</b>
Professional & Consulting	89,858	105,941	88,445	88,445	0	0.00%
Data Processing Services	0		20,000		(20,000)	-100.00%
Telephone Services	23,593	24,767	29,960	29,960	0	0.00%
Purchased Insurance	9,536	13,225	13,878	16,925	3,047	21.96%
Maintenance of Equipment	4,488	7,486	4,800	4,800	0	0.00%
Maintenance Agreements	117,302	7,039	15,260	15,260	0	0.00%
Fleet Services Rentals	30,721	34,158	40,327	40,279	(48)	-0.12%
Copier Charges	5,728	4,956	5,600	8,600	3,000	53.57%
Mail Room Charges	15,196	13,295	22,000	23,050	1,050	4.77%
Direct/Information Services	709,073	743,684	736,184	865,034	128,850	17.50%
County Overhead Charges	430,980	496,164	492,882	470,415	(22,467)	-4.56%
PC Replacement Services	29,709	39,680	37,860	39,090	1,230	3.25%
Office Supplies & Expense	32,651	36,553	40,440	40,440	0	0.00%
Membrshp/Professionl Licenses	8,243	2,083	2,775	2,775	0	0.00%
Printing & Binding	12,817	43,265	55,500	55,500	0	0.00%
Advertising & Publicity	5,847	4,675	9,725	9,725	0	0.00%
Microfilm Imaging Services	5,140	5,782	3,000	3,000	0	0.00%
Postage	88,974	91,565	90,200	94,757	4,557	5.05%
DP Supplies And Access	48,496	9,991	15,800	15,800	0	0.00%

## Assessment and Taxation

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>EXPENDITURE ACCOUNTS</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>\$ Chng</b>	<b>% Chng</b>
	<b>Actual</b>	<b>Actual</b>	<b>Curr Bgt</b>	<b>Proposed</b>	<b>Fr Curr</b>	<b>Fr Curr</b>
Food	24	66	0	0	0	0.00%
Business Expense & Travel	4,762	16,650	15,760	15,760	0	0.00%
Awards & Recognition	4,829	1,732	3,075	3,075	0	0.00%
Outside Education & Travel	34,674	17,243	37,200	37,200	0	0.00%
County Training Classes	1,504	3,450	4,900	4,900	0	0.00%
<b>MATERIALS &amp; SERVICES</b>	<b>1,714,144</b>	<b>1,723,450</b>	<b>1,785,571</b>	<b>1,884,790</b>	<b>99,219</b>	<b>5.56%</b>
Vehicles	12,454	0	0	0	0	0.00%
Reproducing & Duplicating	13,645	0	0	0	0	0.00%
Data Processing Equipment	5,846	0	0	0	0	0.00%
<b>CAPITAL OUTLAY</b>	<b>31,945</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Improvements	0	0	42,029	0	(42,029)	-100.00%
<b>CAPITAL PROJECTS</b>	<b>0</b>	<b>0</b>	<b>42,029</b>	<b>0</b>	<b>(42,029)</b>	<b>-100.00%</b>
Transfer To Capital Proj. Funds	21,765	0	0	0	0	0.00%
<b>FUND TRANSFERS</b>	<b>21,765</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL EXPENDITURES</b>	<b>5,877,987</b>	<b>5,720,803</b>	<b>6,447,013</b>	<b>6,857,109</b>	<b>410,096</b>	<b>6.36%</b>

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