



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: May 25, 2022

Department: Assessor Agenda Planning Date: May 19, 2022 Time required: 10 min

☐ Audio/Visual aids N/A

Contact: Rachael Estill, Administrative Services Manager Phone: (503) 588-5128

Department Head Signature:
Nathaniel Combs for Tom Rohlfling

TITLE FY 2022-23 County Assessment Function Funding Assistance (Amended)

Issue, Description & Background The Assessor's Office is requesting a resolution to approve the FY 22-23 County Assessment Function Funding Assistance (CAFFA) Grant. The total amount of expenditures for consideration are \$8,027,018. The Assessor's Office FY 22-23 requested annual budget, as part of the grant request, is \$7,955,185. The grant application is submitted to the Oregon Department of Revenue annually, and is used to assist the County in funding the operations of the assessment and taxation program. The grant includes costs for personnel, materials and services, and a calculated percentage of administrative charges incurred by the Assessor's Office for the assessment, taxation, and collection of property taxes. Also included are costs associated with the Treasurer's Office for tax revenue distribution; the Clerk's Office for the administration of the Board of Property Tax Appeals program; Information Technology for support and maintenance of the Assessor's A&T software, GIS database, and Pictometry aerial imaging; Capital Outlay associated with the Assessor's Office, as well as grant funds awarded by the Oregon Department of Revenue for ORMAP cadastral database maintenance.

Financial Impacts: The current FY 21-22 projection for the receipt of grant revenues is \$1,153,824. Estimated revenues for the FY 22-23 are \$1,092,439. Grant revenue, as projected would account for approximately 13.73% of the Assessor's total FY 22-23 operating budget.

Impacts to Department & External Agencies CAFFA grant funds are deposited into the county General Fund. Grant funding is intended to offset the cost of maintaining an adequate assessment and taxation program. Funds received from the grant free up other General Fund resources that may be used by other county departments to maintain their programs.

Options for Consideration: 1. Deny the grant as proposed.
2. Approve the grant. Approval of the grant obligates the county to appropriate funds based on 100% of the expenditures certified in the grant application, per ORS 294.178. If 100% is not appropriated as certified, no grant funds shall be distributed to the county for the quarter in which the county is not in compliance.

Recommendation: Approve the grant as submitted.

List of attachments: Copy of the FY 22-23 CAFFA Grant application and county grant application resolution form for signatures.

Presenter: Tom Rohlfling, Assessor



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to:

trohlfing@co.marion.or.us; restill@co.marion.or.us; bburgess@co.marion.or.us.

FY 2022-23
Property Tax Program
CAFFA Grant Application

Purpose

The 1989 Legislative Assembly enacted legislation which requires each county government to maintain an adequate assessment and taxation program. The legislation included all of the property tax statutes and rules in the definition of compliance. Each county is expected to develop and maintain a property tax system that sustains all identified activities at an adequate level. To assist the county in this endeavor, the legislature provided funding from the state by means of a grant.

Each county governing body is required to submit a summary of expenses, a staffing report, and a resolution as part of the Grant application. For counties not in compliance, a plan must either be on file with the department or be submitted for department approval. The plan should demonstrate that the county is using all available resources to achieve and maintain its assessment and taxation program at adequate levels. Any county with program activities not in compliance may need to incorporate funding for additional program resources. Counties are required to appropriate 100 percent of the approved expenditure level under ORS 294.456 in order to receive state grant funds.

Preparation of Grant Application

The property tax system is administered in several local government areas. Many individuals such as the Assessor, Tax Collector, Treasurer, Data Processing Manager and Clerk will need to participate in evaluating the current status of overall compliance. The county governing body should not attempt to determine compliance levels without input from these officials. The grant application forms must be submitted to the Department of Revenue by May 1, 2022. Amended applications must be submitted no later than June 1, 2022.

Five Year History in Marion County

	2018-19	2019-20	2020-21	2021-22	2022-23
Certified Grant Expenditures	\$6,377,177	\$6,769,927	\$7,158,075	\$7,276,672	\$8,027,018
Actual Grant Revenue	\$960,961	\$1,214,196	\$1,199,112	\$1,153,824†	\$1,092,439*
% of Revenue to Expenditures	15.40%	17.94%	16.75%	15.86%	13.61%

Certified Grant Expenditures include the materials and services and personnel budget for assessor and tax collection, as well as a calculated percentage of Information Technology Direct Charges to maintain the assessor's office assessment and taxation system. Also included is a portion of the county clerk budget for the Board of Property Tax Appeals program expenditures, the allocation costs for the treasurer relating to tax distribution, and the cost of pay for eight IT support staff: A GIS Analyst 1 @ 0.15 FTE, Two GIS Analyst 2 @ 0.25 FTE each, A GIS Analyst 3 @ 0.25 FTE, IT Systems Analyst @ 0.40 FTE, A Programmer Analyst 1 @ 0.10 FTE, A Project Manager @ 0.30 FTE and an IT Supervisor @ 0.10 FTE.

* Estimated figure using the most current information available from the Oregon Department of Revenue. Derived by multiplying the FY22-23 County Assessment & Taxation Fund statewide forecasted revenue distribution total of \$18,901,956 by the FY21-22 distribution percentage for Marion County (0.057795). Grant revenue total divided by four indicates an estimated quarterly payment amount of \$273,110.

† FY21-22 Actual Grant Revenue and percentage includes a forecasted amount for the 3rd and 4th quarter payment, and is subject to change.



Form 1 Grant Application Staffing

2022-2023

County	Column 1 Approved FTE current year (2021-22)	Column 2 Budgeted FTE coming year (2022-23)	Column 3 Change (Column 2 less Column 1)
MARION			
A. Assessment administration			
Assessor, deputy, etc.	3.00	3.00	0.00
Assmt. support staff, deed clerks and data entry staff	9.00	11.00	2.00
Total assessment administration staff	12.00	14.00	2.00
B. Valuation and appraisal staff			
Chief appraisers/appraiser supervisor	3.00	3.00	0.00
Lead appraisers.....	4.00	4.00	0.00
Residential appraisers	5.00	5.00	0.00
Commercial/industrial appraisers	4.00	4.00	0.00
Farm/forest/rural appraisers.....	6.00	6.00	0.00
Manufactured structure/floating structure appraisers	1.00	1.00	0.00
Personal property appraisers.....	4.00	4.00	0.00
Personal property clerks.....	1.00	1.00	0.00
Sales data analyst.....	2.00	2.00	0.00
Data gatherers and appraisal techs.....	3.00	3.00	0.00
Total valuation and appraisal staff	33.00	33.00	0.00
C. Board of Property Tax Appeals (BoPTA)	0.70	0.60	(0.10)
D. Tax collection and distribution administration			
Administration, deputy, etc.....	1.00	1.00	0.00
Support and collection	3.00	4.00	1.00
Tax distribution	0.08	0.08	0.00
Foreclosure and garnishment.....	0.00	0.00	0.00
Total tax collection and distribution	4.08	5.08	1.00
E. Cartography and GIS administration			
Cartographic/GIS supervisor.....	0.00	0.00	0.00
Lead cartographers	1.00	1.00	0.00
Cartographers.....	2.00	2.00	0.00
GIS specialists.....	0.00	0.00	0.00
Total cartographic and GIS staff	3.00	3.00	0.00
F. Dedicated IT services for A&T	1.55	1.80	0.25
G. Total assessment and taxation staffing	54.33	57.48	3.15



Form 2 Explanation of Staffing Issues

2022-2023

County MARION

In this section, explain any difference between approved staffing for the current year and staffing for the budgeted year. Explain why any funded positions were unfilled for the current year. Use this form to describe the intended use of nonpermanent workers (temporary help, project temporaries, and contractors) by A&T function, along with their cost. Note any special or unique aspects regarding who accomplishes the work and how they accomplish it related to Forms 4, 5, and 6. For example, if you use staff to perform personal property functions, other than those reported on Form 1, Section B, note that here and include the FTE.

Per Form 1:

Assessment Administration increased by 2.00 FTE.

A deed clerk was added to accommodate a large increase (over 25% in the past 7 years) in recorded ownership changes in the County.

There was also a position review in the Valuation section that resulted in the addition of a Rural Property Appraiser, and the conversion of an existing appraisal position to an assessment clerk position (resulting in a gain in the Assessment Administration, and a net zero in the Valuation Administration).

Tax Collection Administration increased by 1.00 FTE.

With the upcoming retirement of two senior tax office staff, an additional tax clerk is being brought on to train and assist with the increased workload during and after the transition and loss of institutional knowledge.

Per Form 5:

The Tax Collection office will hire three temporary staff to assist with processing property tax payments and returned mail. Each year, temporary staff are utilized from the third week in October when tax statements are generated and mailed, until approximately the third week of November.



Form 3 General Comments

2022-2023

County MARION

Use this form to describe any issue in your budget that needs further clarification. Examples include significant changes on Form 7, purchase of a new data processing system, salary increases, new car purchases, personnel services, costs for mapping, etc. You can also use this form to document any miscellaneous comments about this grant application.

The Tax Collection office receives the property tax payments through in house remittance processing (17.1%), contractual lock box services (43.2%), and electronic data exchange with mortgage companies and real estate tax services (34.8%), and online via Paystation (4.7%) and Official Payments Corp. (0.2%).

For indirect expenses on Form 7, Line 6A, Marion County has elected to use the percentage from its certified federal cost allocation plan and indirect cost rate proposal for fiscal year 2022-23 (the Plan), prepared in accordance with the provisions of 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

The Plan allows an indirect cost rate of 16.05% for the Assessor's Office as indicated in Schedule F on page 5 of the Plan. For this CAFFA grant application, the rate has been adjusted to 11.87% to reflect the fact that costs associated with the Department Apps cost pool have been included as direct costs under A&T Data Processing on Form 7, Column F of the CAFFA grant application. The adjusted rate was computed as follows:

Description and Indirect Cost Plan Page Reference	Original	Adjusted
Total indirect costs allocated to Assessor's Office [Schedule A, page 1]	\$937,030	\$937,030
Less Dept Apps costs allocated to Assessor's Office [Schedule 3.5, pg. 31]	0	-244,042
Total Indirect costs allocated to Assessor's Office	\$937,030	\$692,988
Indirect cost rate base for Assessor's Office [Schedule F, page 5]	\$5,839,951	\$5,839,951
Indirect cost rate for Assessor's Office (allocated costs/base)	16.05%	11.87%

Note: The Plan amount for Department Apps costs allocated to the Assessor's Office differs from the amount included for A&T Data Processing on the CAFFA grant application because the Plan is based on FY 2020-21 audited amounts, whereas the CAFFA grant application is based on FY 2022-23 budgeted amounts.

Capital Outlay was included for the 2022-23 FY to allow for the Capital Improvement Project for the Assessor's Office. The Assessor's Office is in need of three supervisor offices. Currently supervisors work in cubicles, and need the privacy an office affords for private meetings, phone conversations, and to keep confidential records. A total of \$104,500 is budgeted.



Form 4 Valuation and Appraisal Resources

2022-2023

County <u>MARION</u>	Number of accounts by activity		Number of FTE by activity	
	Actual (2021-22)	Estimated (2022-23)	Actual (2021-22)	Estimated (2022-23)
Activities				
1. Real property exceptions, special assessments and exemptions				
New construction.....	3,306	3,400	7.00	7.00
Zone changes.....	6	15	0.00	0.00
Subdivisions, segregations, and consolidations..	1,660	1,700	1.75	1.75
Omitted properties	1	0	0.25	0.25
Special assessment qualification and disqualification	200	275	2.00	2.00
Exemptions.....	92	150	1.00	1.00
Subtotal.....	5,265	5,540	12.00	12.00
2. Appeals and assessor review				
Assessor review and stipulations	82	90	0.75	0.75
BOPTA	61	35	0.75	0.75
Department of Revenue.....	0	0	0.00	0.00
Magistrate Division of the Oregon Tax Court.....	0	20	0.25	0.25
Regular Division of the Oregon Tax Court	0	5	0.00	0.00
Subtotal.....	143	150	1.75	1.75
3. Real property valuation				
Physical reappraisal.....	14,764	15,000	5.75	6.75
Recalculation only—no appraisal review	124,589	125,000	3.00	3.00
Subtotal.....	139,353	140,000	8.75	9.75
4. Business personal property (returns mailed)	3,479	4,000	4.50	4.50
5. Ratio			1.50	1.50
6. Continuing education			1.00	1.00
7. Other valuation—appraisal activity			2.50	2.50
8. Total valuation and appraisal staff (FTE)			32.00	33.00



Form 5 Tax Collection and Distribution Work Activity

2022-2023

County MARION

Number of accounts by activity

Actual (2021-22)	Estimated (2022-23)
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1. Number of accounts requiring roll corrections

Business personal property	125	317
Personal property manufactured structures	195	337
Real property	889	4,389

2. Number of accounts requiring a refund

Business personal property	178	87
Personal property manufactured structures	503	309
Real property	3,458	4,869

3. Number of delinquent tax notices sent

Business personal property	421	353
Personal property manufactured structures	1,228	1,432
Real property	4,664	4,370

4. Number of foreclosure accounts processed

Real property only	152	442
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5. Number of accounts issued redemption notices

Real property only	29	55
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6. Number of warrants

889	840
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7. Number of garnishments.....

0	0
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8. Number of seizures

0	0
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9. Number of bankruptcies.....

319	67
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10. Number of accounts with an address change processed

2,000	3,000
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11. How many second trimester statements do you mail?

5,200

12. How many third trimester statements do you mail?

6,300

13. Does the county contract for lock box service?.....

☒ Yes ☐ No

14. Does the county use in-house remittance processing?

☒ Yes ☐ No

15. Is tax collecting combined with another county function?

☒ Yes ☐ No

If yes, describe that function on Form 2.



Form 6
Assessment and Administrative
Support and Cartography
Work Activity

2022-2023

County MARION

**Assessment and administrative support
work activity**

	Numbers by activity	
	Actual (2021-22)	Estimated (2022-23)
1. Number of deeds worked	<u>13,191</u>	<u>14,400</u>

Cartography work activity

	Numbers by activity	
	Actual (2021-22)	Estimated (2022-23)
1. Number of new tax lots	<u>1,108</u>	<u>1,000</u>
2. Number of lot line adjustments	<u>145</u>	<u>150</u>
3. Number of consolidations	<u>158</u>	<u>140</u>
4. Number of new maps	<u>2</u>	<u>4</u>
5. Number of tax code boundary changes	<u>3</u>	<u>10</u>



Form 7 Summary of Expenses

2022-2023

County MARION

	A. Assessment Administration	B. Valuation	C. BOPTA	D. Tax Collection & Distribution	E. Cartography*	F. Dedicated IT services for A&T	Totals
Current operating expenses							
1. Personnel services	1,553,105	3,610,389	61,604	568,378	308,819	230,816	6,333,111
2. Materials and services	321,757	115,244	4,925	212,850	72,560	0	727,336
3. Transportation	500	20,000	200	500	250	0	21,450
4. Total current operating expenses (Total direct expenses)	1,875,362	3,745,633	66,729	781,728	381,629	230,816	7,081,897

* Include approved grant funding for ORMAP

Indirect expenses

5. Total direct expenses (line 4)	7,081,897
6. If you use the 5 percent method to calculate your indirect expenses, enter 0.05 in this box.	0
Total indirect expenses (line 5 multiplied by line 6)	0
6A. If you use a percent amount approved by a federal granting agency to calculate your indirect expenses, enter that percentage in this box.....	0.11870
Total indirect expenses (line 6A multiplied by the direct expense amount for the category/categories that your certificate allows)	840,621
7. Total indirect expenses	840,621

	Assessment Administration	Valuation	BOPTA	Tax Collection & Distribution	Cartography	Data Processing Support (IT, AT)	Total capital outlay without regard to limitation
Capital outlay							
8. Enter the actual capital outlay without regard to limitation.	0	104,500	0	0	0	0	104,500
9. Total direct and indirect expenses (sum of lines 4 and 7)							7,922,518
10. Direct and indirect expenses multiplied by 0.06							475,351
11. The greater of line 10 or \$50,000.....							475,351
12. Capital outlay (the lesser of line 8 or line 11)							104,500
13. Total expenditures for CAFFA consideration (sum of lines 4, 7, and 12)							8,027,018

Form 8

Grant Application Resolution

MARION _____ County is applying to the Department of Revenue to participate in the County Assessment Function Funding Assessment Program.

This state grant provides funding for counties to help them come into compliance or remain in compliance with ORS 308.232, 308.234, Chapters 309, 310, 311, 312, and other laws requiring equity and uniformity in the system of property taxation.

MARION County has undertaken a self-assessment of its compliance with the laws and rules that govern the Oregon property tax system. The County is generally in compliance with ORS 308.232, 308.234, Chapters 309, 310, 311, 312, and all requiring equity and uniformity in the system of property taxation.

MARION _____ County agrees to appropriate budgeted dollars based on 100 percent of the expenditures certified in the grant application. The total expenditure amount for consideration in the grant is \$8,027,018. If 100 percent isn't appropriated, no grant shall be made to the county for each quarter in which the county is out of compliance.

The County designates the following individual as the contact for this grant application.

RACHAEL ESTILL	(503) 588-5128	restill@co.marion.or.us
Name	Phone	Email

County Approval

By selecting the "I Accept" checkbox, you are signing this Resolution electronically and certifying the Resolution has been approved by the board. You agree your electronic signature is the legal equivalent of your manual signature.

☒ I Accept

		25-May-2022
Chair/Judge or Appointee	Title	Sign Date

BEFORE THE BOARD OF COMMISSIONERS

FOR MARION COUNTY, OREGON

In the matter of approving the Marion County)
Assessment and Taxation Grant Application.)

RESOLUTION No. _____

This matter came before the Marion County Board of Commissioners at its regularly scheduled public meeting on May 25, 2022 to consider approving the amended application to the Oregon Department of Revenue to participate in its Assessment and Taxation Grant;

WHEREAS, the state grant provides funding for counties to help them come into compliance or remain in compliance with ORS 308.027, 308.232, 308.234, Chapters 309, 310, 311, 312, and other laws requiring equity and uniformity in the system of property taxation; and

WHEREAS, Marion County has undertaken a self-assessment of its compliance with the laws and rules that govern the Oregon property tax system and found that the county is generally in compliance with ORS 308.027, 308.232, 308.234, Chapters 309, 310, 311, 312, and other laws requiring equity and uniformity in the system of property taxation; now, therefore,

IT IS HEREBY RESOLVED that Marion County agrees to appropriate the budgeted dollars based on 100 percent of the expenditures certified in the grant application in the amount of

\$8,027,018 and accepts that, if 100 percent is not appropriated, no grant shall be made to the county for the quarter in which the county is out of compliance; and

IT IS FURTHER RESOLVED that the county designates Rachael Estill as the county contact person for the grant application. Telephone: 503-588-5128, e-mail: restill@co.marion.or.us.

DATED at Salem, Oregon, this _____ day of May, 2022.

MARION COUNTY BOARD OF COMMISSIONERS

Chair

Commissioner

Commissioner

original: clerk
c: assessor