

MARION COUNTY FY2007-08 BUDGET SUMMARY

Budget Overview

The fiscal year 2007-2008 total Marion County budget adopted by the Board of Commissioners is \$305,605,181. This is a \$15,093,786 decrease from the final fiscal year 2006-2007 budget. Oregon local budget law requires a balanced budget to be adopted by the governing body. Therefore, total resources and total requirements are both equal to the total budget amount.

The budget includes a \$77,213,339 general fund and \$228,391,842 for all other funds. Some county departments are funded partially or entirely through the general fund which revenues includes property tax revenues and fees. The majority of non-general fund revenues are federal, state and other agencies' contracts and grants that must, by law, be spent for specific purposes.

Resources

In addition to revenues expected to be collected during the fiscal year, local budget law requires other available resources to be disclosed in the budget, including beginning net working capital, internal transactions, and transfers. These together are referred to as resources. Revenues are those funds received during the course of the fiscal year from outside sources. Beginning net working capital is that portion of the last fiscal year ending fund balance available to finance the succeeding fiscal year's budget. Marion County's internal transactions are transactions between funds resulting from one department providing a service to another. On the resources side, they are called administrative cost recoveries. The sum of revenues, working capital, internal transactions and transfers is the total resources. The total resources budget is \$305,605,181.

FY2007-2008 Resources

Fund	Net Working Capital	Administrative Cost Recoveries	Transfers In	Current Revenues	Total Resources
General Fund	10,577,240	-	4,626,519	62,009,580	77,213,339
Non-General Fund	64,064,871	36,302,999	15,027,041	112,996,931	228,391,842
Total	74,642,111	36,302,999	19,653,560	175,006,511	305,605,181
% of total	25%	2%	6%	67%	100%

Principal Revenues

Property Taxes

Property taxes are collected in Oregon by the counties and distributed to each taxing district (schools, cities, county fire districts, special districts, etc.). The amount of property tax paid is based on (1) the assessed value of a property and (2) tax rates and bond debt service amounts that individual county taxing districts levy. Generally, the increase in assessed value is limited to 3 percent unless changes have been made to the taxed property. The county assessor compares the real market value (how much property is worth, as determined by the assessor as of Jan. 1 each year) to the maximum assessed value (the 1995 value reduced by 10 percent, plus any changes that were made to the property, increased by 3 percent each year after 1997). The lower of these two values is called the assessed value.

The Oregon Constitution limits the amount of property value subject to taxation. The value limit is called maximum assessed value (MAV). The limit was established for all properties in existence in 1997-98 by a formula described in the constitutional amendment, Measure 50. MAV for new property is computed using a different formula also contained in the amendment. A property's MAV is the taxable value limit established by the voters in 1997. An increase in MAV is limited to 3 percent annually unless changes have been made to the property being taxed. Taxes may increase by more than 3 percent through voter-approved ballot measures. Taxes can also increase or

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decrease due to other changes, such as the amount a district needs to pay for voter-approved bond debt or property annexations. Property taxes are placed on the tax roll in the form of a rate per \$1,000 of assessed value. In most cases, the taxes for operations are the permanent rate limits certified by the districts. Marion County's permanent property tax levy limit is \$3.0252 per \$1,000 of assessed value.

Property tax collections for Marion County totaling \$49,453,455 million constitute 16 percent of the total resources of the total county budget. Property taxes are deposited to the county General Fund, and they constitute 64 percent of the total resources of the fund. Property tax revenue is projected to be up 5.2 percent in FY07-08. The annual growth in dollars and percent is shown below.

	FY98-99 Actual	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Actual	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Budget	FY07-08 Proposed
Collections *	31,595,553	33,938,549	35,734,313	37,602,560	39,031,872	40,788,136	41,998,758	44,827,541	46,991,788	49,453,455
Increase	-7.8%	4.9%	12.9%	5.2%	3.8%	4.5%	3.0%	6.7%	4.8%	5.2%

* Collected within the year levied plus collection of taxes levied in prior years.

The FY07-08 estimate is based on the assessor's record of tax imposed, total tax for distribution (tax records), and a distribution increase of 5.2 percent. This percent increase was recommended by the Council of Economic Advisors after review of the tax data and history of property tax collections.

