

Minutes January 17, 1989

Informal

The Board of Commissioners of Multnomah County met at the Courthouse at 1:30 P.M. this date.

Present: Commissioner Gladys McCoy, Chair; Commissioner Pauline Anderson; Commissioner Gretchen Kafoury; Commissioner Rick Bauman; Commissioner Polly Casterline (by phone)

1. Informal Review of Bids and Requests for Proposals:
a) Nuisance abatement - No discussion - Bid Passed
2. Briefing on the Assessment and Taxation Division issues
-Linda Alexander TIME CERTAIN 1:30 PM - Commissioner McCoy stated that there was another guest coming on the A & T Briefing that was not yet present, will begin with other items until he arrives.
3. Informal Review of Formal Agenda of January 19

R-1 Commissioner McCoy stated that the assignments were complete.

Commissioner Casterline had a question on the liaison assignments. Under her assignments she understood that the EMS Policy Board would continue to stay with Commissioner McCoy.

Commissioner McCoy said that this would continue to be under the Chair and that the change would be taken care of by the Formal meeting on Thursday.

DEPARTMENT OF HUMAN SERVICES

R-2 Duane Zussy, Director of Human Services, explained the intergovernmental agreement with the City of Portland. He stated that this agreement will extend the County's present arrangement with the City to provide computer support with Aging Services billing and client tracking systems. The County has been involved with this agreement since 1983. The period covered by this extension is January 1, 1989 thru June 30, 1989. The County already have monies budgeted within our internal data processing line item that will be transferred to cover this cost. It was thought that this would be cut over and operating on the County system by this time. This has not materialized and Human Services is continuing to work with ISD and the City to find the most cost effective way to deal with this in the future.

R-3 Mr. Zussy continued to explain the retroactive intergovernmental agreement with the Gresham School District. He stated that this will purchase 472 hours of mental health services for students within the Gresham School District, specifically for Gresham High School students. The cost to Gresham is \$10,472., which is revenue to the County. The contract period runs from September 1, 1988 thru June 30, 1989. This has been delayed due to Gresham School District having financial difficulties. They are only able to purchase about one half of the School Mental Health services from the County this year than what they purchased in the proceeding year. The contract was delayed until school finances were finalized and their Board authorized the contract. They have already extended the first quarterly payment to the County under this agreement. So the County is not left with the financial burden, even though the contract has not been signed.

Mr. Zussy also stated that the County has reduced staffing in the School Mental Health Program to fit this lower level of service that is being required by Gresham.

DEPARTMENT OF JUSTICE SERVICES

R-4 Liquor License Applications:

Commissioner Casterline had a concern of the problems of the Rustic Inn Tavern. She has a report from the owner and operator about the problems that they are having with planning and zoning and what to do with the rest of the land and not the tavern. Commissioner Casterline supports the granting of the liquor license and is working on the other problem with planning and zoning.

R-5 Resolution on the Policy for Justice Services:

John Angell, Director of Justice Services stated that this resolution would formally establish a broad general policy to give direction to Justice Services. It specifically outlines five areas of priority. It is a result of meetings in September and October, 1988. At the October 25th meeting, Justice Services was given instructions to make additions to the policy in the area of Information Systems. These meetings were between the Sheriff, District Attorney and the members of the Board.

Commissioner Casterline was concerned about the wording on page 2. She wanted to know why Community Corrections was not mentioned under the Be It Resolved portion.

John Angell stated that the word Corrections would cover both Community Corrections as well as Institutional Corrections.

Commissioner Casterline wanted to know if Community Corrections should be included.

All agreed that no correction was needed to the wording of the Policy.

Commissioner McCoy noted back at the beginning, under the fourth "where as", there has been a lot of discussion about the continuum of Human Services and Justice Services that does not have an adopted policy.

Mr. Angell said that he attempted to confirm an adoption, but could not find a formal adoption of the policy related to the continuum.

Commissioner McCoy stated that she liked the idea of the continuum being included. She continued to say that this is the goal which programs (Human Services) a way to keep people out of the justice system. She would like to talk about adopting a philosophy of using the continuum.

Mr. Angell wanted to know if that needs to be changed by Thursday's formal meeting.

Commissioner McCoy reiterated adoption of the policy should be the next step.

Commissioner Anderson was concerned about the funding and cost effectiveness, also about future funding and more jail capacity. She wanted to know if this is something that needed to be in the policy.

Mr. Angell said that this has been addressed in the list of priorities.

No more discussion on this item at this time.

R-6 Second reading - no discussion.

R-7 Second reading - no discussion

At this time, Commissioner Casterline, left the meeting.

Informal Item

2. Briefing on Assessment & Taxation issues - Linda Alexander, General Services. Has talked to each of the Commissioners individually, and has answered a lot of questions on this issue of the condition of Assessment & Taxation.

Ms. Alexander noted that the report involves only the appraisal section, the valuation units of Assessment and Taxation.

Ms. Alexander introduced guests: George Webber, Oregon Department of Revenue, Assessment and Appraisal Division; Jim Kenny, Oregon Department of Revenue, Assessment and Appraisal Division; Richard Munn, Director of the Oregon Department of Revenue (not yet arrived); Janice Durian, Director of Assessment & Taxation; Bob Ellis, Assessor/Valuation Manager of Assessment & Taxation.

Ms. Alexander stated that an executive summary of the report is that A & T does not have enough employees to maintain both schedules that are mandated by the State as well as fulfill the quality requirements. Also a shortage of employees to respond to tax payer questions. Historically A & T has worked under a mandate of meeting their schedules and deadlines, even if this caused current work to be set aside to meet these deadlines. It does not appear that there has ever been a problem in that area as long as those deadlines were met.

Ms. Alexander noted that the Department of Revenue has had a past history of finding problems with the A & T's appraisals. In the past the appraisals have been compromised or changed in order to meet their requirements for a given time or schedule. She feels that this can no longer be done. And this is directly related to the downsizing of staffing between 1973 - 1974 and 1983 -1984. Staff Training in the procedures for A & T is extensive and exhausting. It is difficult to train people and have them available to do the work when all of the time is spent doing the work. Therefore it is difficult to train and cross train adequately.

Ms. Alexander discussed three areas of concern. First, residential appraisal schedule is currently one year out of cycle. That which is the least of the problems that A & T face. That was started in 1987 when the Department of Revenue brought up the quality of the appraisals. When the quality problems were taken of, that is when A & T became one year out of cycle with the schedule. There are other areas of appraisal which have not been addressed that help is needed. And those are commercial, the rest of residential and also the ability to change to a more efficient system. Proposal of two options to clear the problem. A partial cure would be to get back into cycle. And a full compliance cure would bring about sustaining change to provide the equity of assessment and comply with all the Department of Revenue requirements. Those proposals are before the Board and will be in the Budget process.

Commissioner Kafoury stated that it is important to note that Multnomah County is one of the last county to get out of cycle. And referred to the State wide report that states how many counties are experiencing problems.

Ms. Alexander stated that the State was invited to address these state wide issues. She also stated that even though Multnomah County was the last to go out of cycle that if the Department of Revenue had audited the counties commercial and other areas, other than single family prior to this date, the County would have been out of compliance a long time ago.

George Webber, Department of Revenue - Stated that the system has been falling apart state wide for some time, dating back to the early 1980's. When the rescission hit, within the state, staffing became a problem in all counties. Therefore all counties started to experience some degree of difficulty. In 1980 there was only one county out of compliance, and now there are 26. This report is the second report that the Department of Revenue has done. The last report was done in 1987. In the two year period it has gone from 22 counties out of cycle to 26. This is a very serious continuing problem. The cycle system is a measure that says in order to know that uniformity and equity is occurring in the property tax system that all property must be physically appraised at 100% of its value once every 6 years. A perfect system would be to physically appraised every year. That would cost too much to do.

Commissioner Anderson stated that the 6 year cycle is not working in 26 counties out of 36. And that a 7 year cycle might do better.

Mr. Webber said that this would not increase equity. He also stated that back in the mid to late 1970's the State of Oregon had no problems with being out of cycle. And Oregon was recognized nation wide as the outstanding property tax system. He also mentioned that the manner in which the state systems distribute educational monies and other such things in terms of bond levels and the like require the property value be correctly determined. These are all value based systems. And if this is not able to be done the state will not be able to do such things as school financing.

Richard Munn, Director of the Department of Revenue, arrived at this time, and was briefed as to where they are in the presentation. Mr. Munn said that the Department of Revenue has been working on solving this problem during the last two legislative sessions. It seemed evident fairly early that this was a state wide problem and that it was a growing problem. There was talk with the revenue committees in the early 1985 session about this. The Department of Revenue was told that we were still just coming out of a recession and that they could not deal with it now, but would try to deal with it in the future, in the next session.

Mr. Munn also stated that when Rick was on their Ways & Means subcommittee they talked about the deterioration that was occurring in the property tax system. They tried to mature this in 1987 legislature in dealing with it. The revenue committees identified it as a problem. Some solutions were identified. The Senate was able to get a solution through the Senate, but this broke down when it got to the House. This died by two votes in the House, with some people switching votes. He also noted that this was all done in the last day of the session. The Chairman of the House Revenue Committees did not want to deal with it any earlier because of other issues that he wanted to deal with, so he dealt with it at the end. So with all of this they felt that this needed to be dealt with in a different way than what the statute said. And when this was done they were criticized in the 1987 session for not moving to

do studies in counties to withdraw the cigarette and liquor money to take over the function, because that is what the statute says. So they took the worst county in the state, Lane County, did a compliance study and showed that they were way out of cycle, which everyone knew from the 1985 and 1987 sessions. Lane County was given notice and they not bring it into compliance by July 1, which is the statute. Also went to Clackamas and Clatsop Counties and it was the same thing. Both proposed a tax base in the May election to help fund their county government. Mr. Munn said that it is not just this function that is short, it is a problem in many of their services. Lane County cut across board more than 40% of their employees. Lane County also had a tax base up and they lost it in the election. They got involved in AOC money growth and had real estate transfer taxes to fall back on, then they withdrew that when the initiative process was placed on the ballot. When they had growing revenues from AOC they had partially funded the A & T function in that county but now they are backing off saying that they don't know if those revenues are going to be there next year. They can't start it up then have it fall apart. Clatsop County has better luck, they did get a tax base on the first levy election, which was the first in years. They have started to bring up their system.

Mr. Munn stated that two other counties have been set up, Clackamas and Linn Counties to do studies on. Also went through the statutory process since Lane County had failed in getting funding, they had no plan to bring it into compliance. They were given notice that the State Revenue Department would take over the cigarette and liquor, which only pays about one third of the funding of that account. And this money is not even dedicated to this account by state statute, it only gives the ability as it gives other state agencies ability, in certain compliance with counties, to withdrawing this money and taking over the account. For the state to take over the money and spend it they have to go before the legislature and get possession authority and then get other fund authority. In addition to that, it is required to get General Fund authority for general fund money.

Mr. Munn said that they went before the Ways & Means Subcommittee regarding this problem and they agreed that it was a major problem and that it needed to be addressed next session and that they could not use general fund money. This is a 60 million problem state wide biennium, they they do not want to take on the responsibility for. In the mean time this has gotten attention from the Revenue Committee. Both committees are concerned about this function. In the interim they have tried getting schools, cities, business community, which have a lot at stake over the appraisal system being fair, at the tables with them.

Mr. Munn stated that he feels that there is a coalition of forces that will come into the next session to help deal with this issue. He also said that money is not the only solution. And that the solution will be providing some more money to counties and part of the solution is going have to be moving some other complex properties to the state to appraise. They moved in this direction last session with what is called a five cap/four categories, industrial clients over 5 million dollars and four specific categories. Mr. Munn said that he feels that part of this package will have to be moved down to 1 million dollars in all industrial properties.

Mr. Munn said that he feels that as he talks with other units of local government over the coalition about having a stronger hammer over the issue, either for the department or for the state, to be sure that they are not back to the table in five years trying to create another coalition and getting more money for the counties. He stated that it is hard to get other local government units at the table trying to fight for money for the counties. The cities don't like being there. Traditionally the cities and counties have been rivals over this money. If the cigarette tax goes up, the cities and counties both get part of the money. And the school districts have never been at the table. So it is hard, politically, to get them at the table and to get them at the table lobbying for counties.

Mr. Munn also stated that they feel that some of the counties have not done a good job. He also said that the AOC has been involved in saying that maybe they should take the assessors out of being elected officials as well, so this might be part of managing the counties. In counties where it is elected, the commissioners are a lot more reluctant to manage that function.

Commissioner McCoy wanted to know what Mr. Munn saw in the future on appraising on demand or as needed.

Mr. Munn said that the problem was trying to balance the cycle within the economics. He also said that it is not known how quickly an area would get out of cycle.

Commissioner McCoy stated that the counties are more likely to get back on the right track if was taken care of as soon as there is a problem with an area getting out of cycle. Take care of it as needed. She feels that this can be judged by the market values. She also wanted to know how much the ratios follow the market trends.

Mr. Munn said that there is more dispersion in the ratio study over time. And this is looked at in a broad general statistical way and not an equity way which will change on the physical condition of the property. He also noted that residential property is harder to appraise if not done regularly. The kind of equity that the tax system needs to appraise the property is hard to deal with.

Commissioner McCoy wanted to know how realistic it is to assume that the state is going to take over either the commercial or industrial appraisals. She understands that the larger ones are already done.

Mr. Munn said that if they are successful this session in dealing with funding that that will be a component of it. But that is not a guarantee that the legislature will take care of this. He also stated once more that they have been trying to get something done since the 1985 session. He feels that there is more force this time to get something done.

Commissioner Anderson wanted to know if there was any other strategies toward getting money for the districts.

Mr. Munn said that this has always been a discussion with the committee to take the money out of the levies and funding it that way. And to do that there would have to be some kind of board to oversee county by county what kind of budget was needed. The initial response to this is that the local governments do not want this taken away from them. In the last session a fee on each tax statement that the property payer would pay on a more direct way, which they are already paying for. This was not liked by the committee. Also a real estate transfer tax has been talked about by in the past by the committee which has been brought up again. He also stated that sin taxes and existing taxes are generally easier to get an increase on than on a new tax. And out of those two, sin taxes are the easiest to get changes with.

Commissioner Anderson wanted to know if residential and commercial are separated in determining compliance. And she also wanted to know if commercial is out of cycle as well.

Ms. Alexander said that both residential and commercial cycles were the same. And that commercial has met the cycle requirements and is not out of compliance. However, there are other things that can put commercial out of compliance in a different way.

Commissioner Anderson wanted to know if she under the right understanding that computer trending was not acceptable as an appraisal technique and state standards.

Mr. Munn said that is was acceptable in dealing with the period between appraisal periods.

Ms. Alexander stated that computer trending causes problems when the report shows that there is no change because it will balance itself out. Also, when there is a lot of change in a short period of time this will cause the report to be incorrect. She also stated that the computer trending need human follow up to check the report when obvious problems show up.

Commissioner Anderson wanted to know if there were any other computer techniques available.

Mr. Munn said that there was a lot of automation that has occurred in the appraisal process. But people are still needed to go out and verify the inventory that is in the system is the same today as it was when was appraised. But once this computer bank is built it is very helpful in verification and it takes less time.

Janice Durian said that the computer system is not up to dated.

Commissioner McCoy wanted to know what could be done about physically appraising property.

Mr. Munn said that the need to be able to look at the property inside is a problem. People are not always home and not every person will not let the appraiser onto the property.

Mr. Ellis said assessor appeals are taken care of at the end of the year before the end of the roll on May 1st. Then the ones that are over appraised are reappraised after being physically looked at.

Commissioner McCoy wanted to know if flex hours were considered to enable these properties to be appraised when more property owners are home.

Mr. Ellis said that several options have been tried. He said that door hanger notices have been left, which did not work. He also said that letters were mailed to have the residence call and make an appointment, this worked to a point but not very well. This had an extra cost to consider. A ten hour work day has been tried without success.

Commissioner McCoy said that the County would continue to do the best that they can.

Commissioner Bauman wanted to know what the early readings from the legislature as to how these problems can be dealt with.

Mr. Munn said that his own opinion was that they would return to what was successful in the past.

Commissioner Kafoury stated that there were other bodies besides the legislature that could deal with this problem.

Mr. Munn said that was correct, however it was brought to the revenue committee meeting in December and it is not in the governors budget. He also stated that he argued strongly for it, even in the context of school finance. Since they are making a recommendation to the legislature to suspending operation of the school finance formula, because the appraisals are not there state wide. And there is a significant amount of state aid being distributed to schools based on value per child which is not there. This is not a ligament value per child state wide. This is a relative measure in the school finance formula. It is every district measured against every other district in its value per child. If the appraisals are way out of line the measure is not valid. He state that Washington County is hurting itself by doing a good job. More of the money is going to Lane County as state aid the schools because of equalization. He said that Lane County has not done appraisals for ten years except on new construction. They are way out of cycle.

Mr. Munn wanted to comment on the study itself. He said that he had read through a draft and that he thought it did compliment what was being done in other counties. He said that he feels it is very important for all the counties to look at their appraising systems now and see where they are, and get ready to help deal with the session. He said that if this is not done it could hide some problems from the Department of Revenue and the public. As this was dealt with last session, Multnomah County thought that everything was fine.

Commissioner Anderson wanted to know if there was a mandate to answer the phones.

Ms. Alexander said there was not. She also said that A & T would continue to do the best that they could, however, they are going to be looking at some hard choices about what can and can not be done. There are some things that can't be done in A & T which will be brought back before the board to inform you that they will not be done any longer. Ms. Alexander also stated that this process would continue and that her staff worked very hard to get this information put together for this legislative session. She also mentioned that the Department of Revenue gave A & T a lot of help to prepare this information.

Commissioner McCoy wanted to know if there are qualified appraisers the county would be able to hire.

Mr. Ellis said that there is a short supply, and that it would also require a considerable amount of in-house training to make these people qualified.

Commissioner McCoy stated that it was important to interim program going so that the county can begin to train people.

Ms. Alexander said that that was a way to help solve the problem of even replacing retiring employees

Informal

DATE SUBMITTED January 13, 1989

(For Clerk's Use)
Meeting Date 1/17/89
Agenda No. #1 AM

REQUEST FOR PLACEMENT ON THE AGENDA *Jay*

Subject: Court Baliffs

Informal Only* January 17 A.M.
(Date)

Formal Only _____
(Date)

DEPARTMENT DJS

DIVISION _____

CONTACT Sheriff Pearce

TELEPHONE 255-3600

*NAME(S) OF PERSON MAKING PRESENTATION TO BOARD _____

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Discussion of impact of State's decision to discontinue court baliffs

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA 20 minutes

IMPACT:

PERSONNEL
 FISCAL/BUDGETARY
 General Fund
 Other _____

BOARD OF
COUNTY COMMISSIONERS
1989 JAN 12 PM 3:08
MULTNOMAH COUNTY
OREGON

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: Blady McCoy^{td}

BUDGET / PERSONNEL _____

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

OTHER _____
(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.



CIRCUIT COURT OF OREGON
FOURTH JUDICIAL DISTRICT
MULTNOMAH COUNTY COURTHOUSE
1021 S.W. 4TH AVENUE
PORTLAND, OREGON 97204

DONALD H. LONDER
PRESIDING JUDGE

COURTROOM 208
(503) 248-3846

December 15, 1988

Sheriff Fred Pearce
Department of Public Safety
12240 N. E. Glisan
Portland, Oregon 97230

Dear Sheriff Pearce:

Several weeks ago I told Undersheriff Skipper this Court will be reducing the numbers of custody bailiff positions.

The custody bailiff positions have for some years, provided a service to the court which is statutorily the responsibility of the Sheriff's office. The continuing justification for these positions have been questioned many times by the State Judicial Department.

We are now faced with a budget reduction threat for the next biennium, even though we know we will soon require another referee at Juvenile Court, as well as presently requiring funding to continue two of our existing referee positions situated downtown.

Based on the need to allocate my existing resources to expanding judicial requirements, I have reluctantly determined that I must move forward with the elimination of two of the custody bailiff positions by February 1, 1989. The funding from these two positions will provide sufficient permanent funding for at least one referee position. It is my intention to eventually eliminate the remaining two custody bailiff positions, at a future date, probably through attrition.

Until the latter action occurs, the remaining custody bailiffs will serve within Courtrooms 3 and 4 only. Holding cells must be covered by your staff.

88 DEC 16 PM 3:19
SHERIFF'S EXECUTIVE OFFICE

Sheriff Fred Pearce
December 15, 1988
Page Two

Please assign a transition officer to work with my Court Administrator - Dorothy Coy - and my Criminal Courts Director - Doug Bray - for an orderly transfer of duties in this matter.

If you have any questions, I am available.

Yours truly,

A handwritten signature in cursive script, appearing to read "Donald H. Londer".

Donald H. Londer
Presiding Judge

DHL:gw



MULTNOMAH COUNTY OREGON

DEPARTMENT OF GENERAL SERVICES
COUNTY COUNSEL SECTION
1120 S.W. FIFTH AVENUE, SUITE 1400
P.O. BOX 849
PORTLAND, OREGON 97207-0849
(503) 248-3138

BOARD OF COUNTY COMMISSIONERS
GLADYS McCOY, CHAIR
PAULINE ANDERSON
POLLY CASTERLINE
GRETCHEN KAFOURY
CAROLINE MILLER

M E M O R A N D U M

TO: Lt. Steve Tillinghast
Sheriff's Office (119/307)

FROM: Sandra Duffy *Sandy*
Assistant County Counsel

DATE: December 22, 1988

RE: Statutory Responsibility of Sheriff for
Custody Services

COUNTY COUNSEL
LAURENCE KRESSEL

CHIEF ASSISTANT
ARMINDA J. BROWN

ASSISTANTS
JOHN L. DU BAY
SANDRA N. DUFFY
J. MICHAEL DOYLE
H. H. LAZENBY, JR.
PAUL G. MACKAY
MARK B. WILLIAMS

This memo confirms our telephone conversation this date regarding my research on the above-referenced matter. You indicated to me that the State is eliminating four custody bailiff positions. Your query was whether the Sheriff must now fulfill the duties provided by those bailiffs.

Based upon my research I have concluded that a number of statutes require the presence of the inmate in court and, if a defendant is in the Sheriff's custody, it is the Sheriff's duty to produce the defendant and provide custody services.

The Sheriff's general custodial duties are set out in ORS 206.010, which provides as follows:

206.010 General duties of sheriff.

The sheriff is the chief executive officer and conservator of the peace of the county. In the execution of the office of sheriff, it is the sheriff's duty to:

(1) Arrest and commit to prison all persons who break the peace, or attempt to break it, and all persons guilty of public offenses.

* * *

Steve Tillinghast
December 22, 1988
Page 2

(5) Attend, upon call, the Supreme Court, Court of Appeals, Oregon Tax Court, circuit court, district court, justice court or county court held within the county, and to obey its lawful orders or directions.

There are also specific duties vis-a-vis inmates set out in statutes on arraignment (see ORS 135.010 and 135.030); on commitment (see ORS 135.185, 135.195 and 135.215); on trial (see ORS 136.040 and 136.110); and, on pronouncement of judgment (see ORS 137.030 and 137.040). I have attached copies of those statutes.

The only statutory duty for state personnel regarding inmate custody that I could find was ORS 135.235 which allows a presiding judge to appoint a release assistance officer and deputies under a personnel plan established by the Chief Justice of the Supreme Court. I found no statutory duties for a state "custody bailiff".

In conclusion, the Sheriff will need to provide those services previously provided by the state custody bailiffs to the extent that state statutes require such services.

3387R/dp

ARRAIGNMENT

(Generally)

135.010 Time and place. When the accusatory instrument has been filed, and if the defendant has been arrested, or as soon thereafter as the defendant may be arrested, the defendant shall be arraigned thereon as provided in ORS 135.030 before the court in which it is found. Except for good cause shown or at the request of the defendant, if the defendant is in custody, the arraignment shall be held during the first 36 hours of custody, excluding holidays, Saturdays and Sundays. In all other cases, except as provided for in ORS 133.060, the arraignment shall be held within 96 hours after the arrest. [Amended by 1973 c.836 §130; 1983 c.344 §1; 1983 c.661 §12]

135.020 Scope of proceedings. The arraignment shall be made by the court, or by the clerk or the district attorney under its direction, as provided in ORS 135.030. The arraignment consists of reading the accusatory instrument to the defendant, causing delivery to the defendant of a copy thereof and indorsements thereon, including the list of witnesses indorsed on it or appended thereto if the accusatory instrument is an indictment, asking the defendant how the defendant pleads to the charge. [Amended by 1973 c.836 §131; 1983 c.344 §2]

135.030 When presence of defendant is required; appearance by counsel. (1) When the accusatory instrument charges a crime punishable as a felony, the defendant shall appear in person at the arraignment.

(2) When the accusatory instrument charges a crime punishable as a misdemeanor, the defendant may appear in person or by counsel.

(3) As used in this section, a defendant appears "in person" if:

(a) The defendant is physically present before the court; or

(b) The defendant appears before the court by means of simultaneous television transmission allowing the court to observe and communicate with the defendant and the defendant to observe and communicate with the court. However, appearance by simultaneous television transmission shall not be permitted unless the facilities used enable the defendant to consult privately with defense counsel during the proceedings. [Formerly 135.110; 1983 c.344 §3]

135.035 Bringing in defendant not yet arrested or held to answer. When an accusatory instrument is filed in court, if the

defendant has not been arrested and held to answer the charge, unless the defendant voluntarily appears for arraignment, the court shall issue a warrant of arrest as provided in ORS 133.110. [Formerly 135.140]

135.037 Omnibus hearing; when held; subject; ruling of court; counsel required.

(1) At any time after the filing of the accusatory instrument in circuit court and before the commencement of trial thereon, the court upon motion of any party shall, and upon its own motion may, order an omnibus hearing.

(2) The purpose of an omnibus hearing shall be to rule on all pretrial motions and requests, including but not limited to the following issues:

(a) Suppression of evidence;

(b) Challenges to identification procedures used by the prosecution;

(c) Challenges to voluntariness of admissions or confession;

(d) Challenges to the accusatory instrument.

(3) The court, at the time of the omnibus hearing, may also consider any matters which will facilitate trial by avoiding unnecessary proof or by simplifying the issues to be tried, or which are otherwise appropriate under the circumstances to facilitate disposition of the proceeding.

(4) At the conclusion of the hearing and prior to trial the court shall prepare and file an order setting forth all rulings of the court on issues raised under subsection (2) of this section. The court shall further prepare and file a memorandum of other matters agreed upon at the hearing. Except in a prosecution of the defendant for perjury or false swearing, or impeachment of the defendant, no admissions made by the defendant or the attorney of the defendant at the hearing shall be used against the defendant unless the admissions are reduced to writing and signed by the defendant and the attorney.

(5) This section shall not be applied in any proceeding or at any stage of any proceeding where the defendant is not represented by counsel. [1973 c.550 §2]

(Counsel; Name Used)

135.040 Right to counsel. If the defendant appears for arraignment without counsel, the defendant shall be informed by the court that it is the right of the defendant to have counsel before being arraigned and shall be asked if the defendant desires the aid of counsel. [Formerly 135.310]

order the defendant to be discharged. [Formerly 133.810]

135.180 [Repealed by 1973 c.836 §358]

135.185 Holding defendant to answer; use of hearsay evidence. If it appears from the preliminary hearing that there is probable cause to believe that a crime has been committed and that the defendant committed it, the magistrate shall make a written order holding the defendant for further proceedings on the charge. When hearsay evidence was admitted at the preliminary hearing, the magistrate, in determining the existence of probable cause, shall consider (a) the extent to which the hearsay quality of the evidence affects the weight it should be given, and (b) the likelihood of evidence other than hearsay being available at trial to provide the information furnished by hearsay at the preliminary hearing. [Formerly 133.820; 1981 c.892 §88c]

135.190 [Repealed by 1973 c.836 §358]

135.195 Commitment. If the magistrate orders the defendant to be held to answer, the magistrate shall make out a commitment, signed by the magistrate with the name of office of the magistrate, and deliver it with the defendant to the officer to whom the defendant is committed or, if that officer is not present, to any peace officer, who shall immediately deliver the defendant into the proper custody, together with the commitment. [Formerly 133.830]

135.200 [Repealed by 1973 c.836 §358]

135.205 Indorsement in certain cases. When the magistrate delivers the defendant to a peace officer other than the one to whom the defendant is committed, the magistrate shall first make an indorsement on the commitment directing the officer to deliver the defendant and the commitment to the custody of the appropriate sheriff. [Formerly 133.840]

135.210 [Repealed by 1973 c.836 §358]

* **135.215 Direction to sheriff; detention of defendant.** The commitment shall be directed to the sheriff of the county in which the magistrate is sitting. Such sheriff shall receive and detain the defendant, as thereby commanded, in a jail located in the county of the sheriff or, if there is no sufficient jail in the county, by such means as may be necessary and proper therefor or by confining the defendant in the jail of an adjoining county within or without the state. [Formerly 133.850; 1987 c.550 §2]

135.225 Forwarding of papers by magistrate. When the magistrate has held the defendant to answer, the magistrate shall at once forward to the court in which the defendant

would be triable the warrant, if any; the information; the statement of the defendant, if the defendant made one; the memoranda mentioned in ORS 135.115 and 135.145; the release agreement or security release of the defendant; and, if applicable, any security taken for the appearance of witnesses. [Formerly 133.860]

RELEASE OF DEFENDANT

135.230 Release of defendants; definitions. As used in ORS 135.230 to 135.290, unless the context requires otherwise:

(1) "Conditional release" means a non-security release which imposes regulations on the activities and associations of the defendant.

(2) "Magistrate" has the meaning provided for this term in ORS 133.030.

(3) "Personal recognizance" means the release of a defendant upon the promise of the defendant to appear in court at all appropriate times.

(4) "Release" means temporary or partial freedom of a defendant from lawful custody before judgment of conviction or after judgment of conviction if defendant has appealed.

(5) "Release agreement" means a sworn writing by the defendant stating the terms of the release and, if applicable, the amount of security.

(6) "Release criteria" includes the following:

(a) The defendant's employment status and history and financial condition;

(b) The nature and extent of the family relationships of the defendant;

(c) The past and present residences of the defendant;

(d) Names of persons who agree to assist the defendant in attending court at the proper time;

(e) The nature of the current charge;

(f) The defendant's prior criminal record, if any, and, if the defendant previously has been released pending trial, whether the defendant appeared as required;

(g) Any facts indicating the possibility of violations of law if the defendant is released without regulations;

(h) Any facts tending to indicate that the defendant has strong ties to the community; and

(i) Any other facts tending to indicate the defendant is likely to appear.

(7) "Release decision" means a determination by a magistrate, using release criteria, which

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GENERAL PROVISIONS

136.001 Right to jury trial; waiver. (1) The defendant in all criminal prosecutions shall have the right to public trial by an impartial jury.

(2) The defendant may elect to waive trial by jury and consent to be tried by the judge of the court alone, provided that the election is in writing and with the consent of the trial judge. [1973 c.836 §221]

136.005 Challenge to jury panel. (1) The district attorney or the defendant in a criminal action may challenge the jury panel on the ground that there has been a material departure from the requirements of the law governing selection of jurors.

(2) A challenge to the panel shall be made before the voir dire examination of the jury. [1973 c.836 §222]

136.010 When issue of fact arises. An issue of fact arises upon a plea of not guilty. [Amended by 1973 c.836 §223]

136.020 [Repealed by 1973 c.836 §358]

136.030 How issues are tried. An issue of law shall be tried by the judge of the court and an issue of fact by a jury of the county in which the action is triable. [Amended by 1973 c.836 §224]

136.040 When presence of defendant is necessary. If the charge is for a misdemeanor, the trial may be had in the absence of the defendant if the defendant appears by counsel; but if it is for a felony, the defendant shall appear in person. [Amended by 1973 c.836 §225]

136.050 Degree of crime for which guilty defendant can be convicted when doubt as to degree exists. When it appears that the defendant has committed a crime of which there are two or more degrees and there is a reasonable doubt as to the degree of which the defendant is guilty, the defendant can be convicted of the lowest of those degrees only.

136.060 Jointly charged defendants to be tried jointly; exception. (1) Jointly charged defendants shall be tried jointly unless the court concludes before trial that it is clearly inappropriate to do so and orders that a defendant be tried separately. In reaching its conclusion the court shall strongly consider the victim's interest in a joint trial.

(2) In ruling on a motion by a defendant for severance, the court may order the prosecution to deliver to the court for inspection in camera any statements or confessions made by any defendant

that the prosecution intends to introduce in evidence at the trial. [Amended by 1983 c.705 §1; 1987 c.2 §6]

136.070 Postponement of trial. When a case is at issue upon a question of fact and before the same is called for trial, the court may, upon sufficient cause shown by the affidavit of the defendant or the statement of the district attorney, direct the trial to be postponed for a reasonable period of time. [Amended by 1959 c.638 §18; 1973 c.836 §226]

136.080 Deposition of witness as condition of postponement. When an application is made for the postponement of a trial, the court may in its discretion require as a condition precedent to granting the same that the party applying therefor consent that the deposition of a witness may be taken and read on the trial of the case. Unless such consent is given, the court may refuse to allow such postponement for any cause.

136.090 Procedure for taking deposition. When the consent mentioned in ORS 136.080 is given, the court shall make an order appointing some proper time and place for taking the deposition of the witness, either by the judge thereof or before some suitable person to be named therein as commissioner and upon either written or oral interrogatories.

136.100 Filing and use of deposition. Upon the making of the order provided in ORS 136.090, the deposition shall be taken and filed in court and may be read on the trial of the case in like manner and with like effect and subject to the same objections as in civil cases.

136.110 Commitment of defendant after release. When a defendant who has been released appears for trial, the court may in its discretion at any time after such appearance order the defendant to be committed to actual custody to abide the judgment or further order of the court; and the defendant shall be committed and held in custody accordingly. [Amended by 1973 c.836 §227]

136.120 Discharge when prosecutor unprepared for trial. If, when the case is called for trial, the defendant appears for trial and the district attorney is not ready and does not show any sufficient cause for postponing the trial, the court shall order the accusatory instrument to be dismissed, unless, being of the opinion that the public interests require the accusatory instrument to be retained for trial, the court directs it to be retained. [Amended by 1973 c.836 §228]

136.130 Effect of dismissal on subsequent prosecution for same crime. If the court orders the accusatory instrument to be

Note: ORS 137.015 is repealed July 1, 1989. See sections 37 and 39, chapter 905, Oregon Laws 1987.

137.017 Disposition of fines, costs and forfeited bail received by court. Except as otherwise specifically provided by law, all fines, costs and forfeited bail collected by the clerk of a circuit court in criminal actions and proceedings, as defined in ORS 131.005, in the circuit court shall be deposited in the General Fund available for general governmental expenses. [1981 s.s. c.3 §102; 1983 c.763 §42]

Note: The amendments to 137.017 by section 5, chapter 905, Oregon Laws 1987, take effect July 1, 1989. See section 39, chapter 905, Oregon Laws 1987. The text is set forth for the user's convenience.

137.017. Except as otherwise specifically provided by law, all fines, costs and forfeited bail ordered paid in criminal actions and proceedings, as defined in ORS 131.005, in the circuit court shall be accounted for and distributed as provided in ORS 137.293 and 137.295, as monetary obligations payable to the state.

137.020 Time for pronouncing judgment; delay; notice of right to appeal. (1) After a plea or verdict of guilty, or after a verdict against the defendant on a plea of former conviction or acquittal, if the judgment is not arrested or a new trial granted, the court shall appoint a time for pronouncing judgment.

(2)(a) The time appointed shall be at least two calendar days after the plea or verdict, if the court intends to remain in session so long. If the court does not intend to remain in session at least two calendar days, the time appointed may be sooner than two calendar days, but shall be as remote a time as can reasonably be allowed. However, in the latter case, the judgment shall not be given less than six hours after the plea or verdict, except with the consent of the defendant.

(b) Except for good cause shown or as otherwise provided in this paragraph, a court shall not delay for more than 31 calendar days after the plea or verdict the sentencing of a defendant held in custody on account of the pending proceedings. Except for good cause shown or as otherwise provided in this paragraph, a court shall not delay for more than 56 calendar days after the plea or verdict the sentencing of a defendant not held in custody on account of the pending proceedings. If the defendant is not in custody and the court does not pronounce judgment within 56 calendar days after the plea or verdict, any period of probation imposed as a part of a subsequent sentencing order shall begin to run from the date of the plea or verdict.

(3) If the defendant is in custody following the verdict, the court shall pronounce judgment

as soon as practicable, but in any case within seven calendar days following the verdict if no presentence investigation is ordered, and within seven calendar days after delivery of the presentence report to the court if a presentence investigation has been ordered; however, the court may delay pronouncement of judgment beyond the limits of this subsection for good cause shown.

(4) If the final calendar day a defendant must be sentenced is not a judicial day then sentencing may be delayed until the next judicial day.

(5) At the time court pronounces judgment the defendant, if present, shall be advised of the right to appeal and of the procedure for protecting such right. If the defendant is not present, the court shall advise the defendant in writing of the right to appeal and of the procedure for protecting such right. [Amended by 1971 c.565 §18a; 1987 c.242 §1]

137.030 Presence of defendant at pronouncement of judgment. For the purpose of giving judgment, if the conviction is for a felony, the defendant shall be personally present; but if it is for a misdemeanor, judgment may be given in the absence of the defendant.

137.040 Bringing defendant in custody to pronouncement of judgment. If the defendant is in custody, the court shall direct the officer in whose custody the defendant is to bring the defendant before it for judgment; and the officer shall do so accordingly.

137.050 Nonattendance or nonappearance of released defendant when attendance required by court. (1) If the defendant has been released on a release agreement or security deposit and does not appear for judgment when personal attendance is required by the court, the court may order a forfeiture of the security deposit as provided in ORS 135.280. In addition, if the defendant fails to appear as required by the release agreement or security deposit, the court may direct the clerk to issue a bench warrant for the defendant's arrest.

(2) At any time after the making of the order for the bench warrant, the clerk, on the application of the district attorney, shall issue such warrant, as by the order directed, whether the court is sitting or not. [Amended by 1973 c.836 §257]

137.060 Form of bench warrant. The bench warrant shall be substantially in the following form:

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(8) "Security release" means a release condi-
tioned on a promise to appear in court at all
appropriate times which is secured by cash,
stocks, bonds or real property.

(9) "Surety" is one who executes a security
release and binds oneself to pay the security
amount if the defendant fails to comply with the
release agreement. [1973 c.836 §146]

135.235 Release assistance officer. (1)

If directed by the presiding judge of the circuit
court in a judicial district, a release assistance
officer, and release assistance deputies who shall
be responsible to the release assistance officer,
shall be appointed under a personnel plan estab-
lished by the Chief Justice of the Supreme Court.

(2) The release assistance officer shall, except
when impracticable, interview every person
detained pursuant to law and charged with an
offense.

(3) The release assistance officer shall verify
release criteria information and may either:

(a) Timely submit a written report to the
magistrate containing, but not limited to, an
evaluation of the release criteria and a recom-
mendation for the form of release; or

(b) If delegated release authority by the pre-
siding judge of the circuit court in the judicial
district, make the release decision. [1973 c.836 §147;
1981 s.s. c.3 §37]

135.240 Releasable offenses. (1) Except
as provided in subsection (2) of this section, a
defendant shall be released in accordance with
ORS 135.230 to 135.290.

(2) When the defendant is charged with
murder or treason, release shall be denied when
the proof is evident or the presumption strong
that the person is guilty.

(3) The magistrate may conduct such hearing
as the magistrate considers necessary to deter-
mine whether, under subsection (2) of this sec-
tion, the proof is evident or the presumption
strong that the person is guilty. [1973 c.836 §148]

135.245 Release decision. (1) Except as
provided in ORS 135.240 (2), a person in custody
shall have the immediate right to security release
or shall be taken before a magistrate without
undue delay. If the person is not released under
ORS 135.270, or otherwise released before
arraignment, the magistrate shall advise the per-
son of the right of the person to a security release
as provided in ORS 135.265.

(2) If a person in custody does not request a
security release at the time of arraignment, the
magistrate shall make a release decision regard-
ing the person within 48 hours after the arraign-
ment.

(3) The magistrate shall impose the least
onerous condition reasonably likely to assure the
person's later appearance. A person in custody,
otherwise having a right to release, shall be
released upon the personal recognizance unless
release criteria show to the satisfaction of the
magistrate that such a release is unwarranted.

(4) Upon a finding that release of the person
on personal recognizance is unwarranted, the
magistrate shall impose either conditional release
or security release.

(5) Before the release decision is made, the
district attorney shall have a right to be heard in
relation thereto.

(6) This section shall be liberally construed to
carry out the purpose of relying upon criminal
sanctions instead of financial loss to assure the
appearance of the defendant. [1973 c.836 §149]

**135.250 General conditions of release
agreement.** (1) If a defendant is released before
judgment, the conditions of the release agreement
shall be that the defendant will:

(a) Appear to answer the charge in the court
having jurisdiction on a day certain and there-
after as ordered by the court until discharged or
final order of the court;

(b) Submit to the orders and process of the
court;

(c) Not depart this state without leave of the
court; and

(d) Comply with such other conditions as the
court may impose.

(2) If the defendant is released after judgment
of conviction, the conditions of the release agree-
ment shall be that the defendant will:

(a) Duly prosecute the appeal of the defend-
ant as required by ORS 138.005 to 138.500;

(b) Appear at such time and place as the court
may direct;

(c) Not depart this state without leave of the
court;

(d) Comply with such other conditions as the
court may impose; and

(e) If the judgment is affirmed or the cause
reversed and remanded for a new trial, immedi-
ately appear as required by the trial court. [1973
c.836 §150]

Informal

DATE SUBMITTED _____

(For Clerk's Use)
Meeting Date 1/17/89
Agenda No. #2 AM

Jug.

REQUEST FOR PLACEMENT ON THE AGENDA

Subject: 1988 Grand Jury Report

Informal Only* 1/17/89 - A.M.
(Date)

Formal Only _____
(Date)

DEPARTMENT Nondepartmental - BCC DIVISION Commissioner Kafoury

CONTACT Bill Vandever TELEPHONE 248-5219

*NAME(S) OF PERSON MAKING PRESENTATION TO BOARD _____

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Response to and discussion of the 1988 Grand Jury Report on the "condition and management" of Multnomah County's correctional facilities.

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA 45 minutes

IMPACT:

PERSONNEL
 FISCAL/BUDGETARY
 General Fund
 Other _____

1988 JAN - 5 AM 9:22
MULTNOMAH COUNTY
OREGON
BOARD OF
COUNTY COMMISSIONERS

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: *J. Kafoury/wmv*

BUDGET / PERSONNEL _____

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

OTHER _____
(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.

1988 GRAND JURY REPORT

MANAGEMENT ISSUES:

- page 10-11 Transport Issues:
1. Rescreening transport buses
 2. Better records entry accountability
 3. Additional 5 transport officers
Cross-train corrections officers
instead of additional deputies
 4. Purchase of new bus
 5. Additional personnel in transfer area
of MCDC
- page 12-14 Plan for new laundry facility at MCIJ
Address problems at and interim repairs of the
laundry facility at Troutdale
- page 14 Too many sugar products in commissary; introduce
additional non-sugar products
- page 16 Continuing problems in delays of attorney-inmate
conferences at MCDC
- page 17 The use of heavy steel chairs at MCDC (and MCCF);
replacement with plastic chairs, as at MCIJ
- page 18-19 Overcrowding in booking/reception area of MCDC;
resulting closures which create hardships for
arresting officers
- page 19 Need for additional corrections officer in staging
at MCDC during peak usage
- page 22-24 Need to secure dormitory wings and control center
at MCCF; sally ports at ends of dormitories;
motorized steel door to shut off kitchen area
- page 24 Need for riot training for personnel at MCCF.
- page 26-27 Need for inspection sally port at MCIJ for
privacy during contraband inspections
- page 27 Increase quantity of food for work crew members
at MCIJ

POLICY/BUDGET ISSUES:

- page 3 Contention that, according to Sheriff's daily population report, there are 400-500 persons out custody who should have been in jail
- page 4 Contention that there are 32,000 outstanding warrants pending in Multnomah County, with 95% of the warrants generated by failures to appear; that there is a 55 delay in entering non-violent cases into the computer (Is there a delay in violent cases?)
- page 6 Recommendation to double population at MCRC to 160; contention that screening policy is too severe to ever permit this number. (also, see page 30, below)
- page 7-8 Various recommendations to increase population at MCIJ:
1. Additional 30 beds by adding one bed in 30 cubicles
 2. Additional 86 beds by double-bunking wall beds
 3. Additional 50 beds by double-bunking work crew dorms
 4. Increase capacity to 500 by double-bunking all beds
- page 8 Reclaim Claire Argow for adult women when state lease expires
- page 9 Recommendation that Multnomah County should resist any attempts to place a population cap on MCIJ
- page 30-31 Recommendations to change prescreening process and to establish on-site, in-house restrictions at MCRC
- page 1-2-3-4
33-34 Contention that there is a critical need for more jail space in Multnomah County, and the recommendation this can be best accomplished by increasing capacities at MCIJ and MCDC

BOARD OF
COUNTY COMMISSIONERS
1989 JAN -4 PM 4:37
MULTNOMAH COUNTY
OREGON

Multnomah County Special Grand Jury on Corrections

1988 Final Report

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. THE POPULATION CRISIS CONTINUES.	3
III. OTHER GENERAL ISSUES	9
A. Transport	9
B. Laundry	12
C. Commissary.	14
D. Air Quality	15
IV. FACILITIES	16
A. Multnomah County Detention Center	16
B. Courthouse Jail	21
C. Multnomah County Correctional Facility.	21
D. Multnomah County Inverness Jail	25
E. Multnomah County Restitution Center	29
F. Donald E. Long Home	32
V. CONCLUSION	33

I. INTRODUCTION

This is the final report of the 1988 Special Grand Jury empaneled to examine the conditions and management of the Multnomah County Correctional and Juvenile facilities pursuant to ORS 132.440.

The 1981 Special Corrections Grand Jury found that the number of jail beds in Multnomah County had decreased from 1,069[1] in 1971 to 575 in 1981. Previous Grand Jury reports from 1981 to 1987 documented a growing crime problem and an urgent need for a substantial increase in the ability of Multnomah County to incarcerate dangerous and repeat offenders.

The result of the last seven years of Grand Jury reports documenting the need for more jail space is that at the time the 1988 Corrections Grand Jury was empaneled, the jail capacity was 944. There are plans to open up two more dorms at Inverness which will increase the capacity to 1,032. At that time, we will still have fewer beds than what we had 17 years ago, we will have made a substantial improvement over where we were 7 years ago, and we will be far short of the jail space that we need to meet the crime rate of 1988.

[1] This figure includes the former city jail used to incarcerate those charged with public intoxication and other city ordinance violations.

It is important to recognize the positive steps that have been taken with the opening of the Multnomah County Restitution Center (MCRC) in February of 1987 and Multnomah County Inverness Jail (MCIJ) in October of 1988. An indication of how large the problem is, is that even with those steps we are far behind where we should be. The danger is that we will become complacent, thinking that since we have built a new jail the problem could not possibly be all that severe. In fact, it is.

One positive step that have has been taken is the opening and operation of MCRC. It is a facility that is unique and it is working. As this report will discuss in a later section, the only problem is that it is under utilized. Also discussed in a later section will be the problems in transport. These problems in transporting prisoners have a ripple affect throughout the entire criminal justice system and the result is wasted time and wasted money.

MCIJ is operating three of its planned five dorms currently. The two additional dorms are to be opened soon, but even after they are operational there will still be a severe shortage of jail beds in Multnomah County. This report will examine a number of options for adding jail beds to MCIJ, a facility that currently has no federal court-ordered population cap to contend with.

The Special Grand Jury took testimony from a variety of witnesses, examined a seemingly never ending supply of documents and personally toured every correctional facility in the County. This report is the result and is divided into three main sections. The first will discuss what is undeniably the most urgent problem

facing Multnomah County Corrections and Multnomah County: the immediate need for more jail space. The next section will examine some overall problems, not unique to any particular facility. And, finally, we will report individually on each facility in the County.

II. THE POPULATION CRISIS CONTINUES

Past Corrections Grand Juries have repeatedly documented the urgent need for more jail space in Multnomah County and the many associated problems that this lack of jail space causes throughout the criminal justice system. Those problems continue in 1988 in spite of the addition of some jail beds. Police officers continue to issue citations rather than arrest most misdemeanants and persons accused of committing felonies involving theft, burglary and the theft of automobiles. When we discuss the people being released from jail under the matrix system, those figures and comments do not include the thousands of people that are never brought to jail but are merely issued citations. It seems this has become standard operating procedure in Multnomah County.

The Multnomah County Sheriff's Office has a daily population report. On the day that the Grand Jury examined this population report, there were 426 people out of custody that should have been in jail but were not. They were free because there was no jail space available. There was testimony that this 426 figure was lower than usual. This figure of 426 does not include those who were cited or released on their own recognizance. Daily there are between 400 and 500 people out of custody in Multnomah County that should be inside of a jail cell. Instead of being in jail, many

of these people are committing new crimes. Over half the people released to the Population Release Monitoring Unit must be unsuccessfully terminated because they violate the terms of their release.

Nationally, Portland's per capita crime rate is extremely high. Portland ranks third in robberies, third in burglary and fifth in other serious crimes, according to the Uniform Crime Reports for 1986.

In 1971, 9,129 persons were arrested. In 1987, 30,376 arrests were made. While Multnomah County has only 21% of the population for the entire state, the residents of Multnomah County were victims of 74% of the robberies, 47% of the murders, 39% of the rapes and 83% of the assaults in this state according to the Uniform Crime Report for 1987.

There are other problems created by the release of criminals. The corrections record manager testified that there are currently about 32,000 outstanding arrest warrants pending in Multnomah County. 95% of those warrants are generated because the person failed to appear at a court appearance.

The delay time in entering warrants into the computer in non-violent cases is now 55 days. What this means is that there is a tremendous backlog of arrest warrants. Consequently, a police officer encountering that person within the 55 day period will not know there is an outstanding arrest warrant.

People are told to show up for court and often they do not. Even after they are later arrested, they are simply released due to a lack of jail space, so that there is no incentive for them to

show up next time. The result is that there is a tremendous waste of time and money in the court system because lawyers, judges, court reporters, witnesses and probation officers all show up, but cannot accomplish anything because the guest of honor has decided not to show up and nothing can be done without that person's presence.

Witness after witness testified that the most effective jail bed is an empty jail bed. The experts were unanimous in saying that in order for non-jail alternative programs to work, they must be backed up by the threat of an empty jail bed. Multnomah County simply does not have the capability to carry through with that threat and that inability undermines the integrity of these programs.

Because of the lack of jail space in Multnomah County, the Sheriff's Office is forced to use an intricate and complicated matrix system that assigns points to people based on past history and type of crime. The problem is that there is an overwhelming need to keep the most violent offenders in jail, but that the number of jail beds is not adequate to house others that the system needs to keep incarcerated. This allows a person to repeatedly fail to show up for his court appearances or fail to follow through with release or probation conditions, and literally thumb his nose at the system without any real consequences.

Jail beds alone will never solve the problem. But as the witnesses pointed out, the alternative programs to jail, such as close street supervision, Our New Beginnings and drug rehabilitation programs, very often are dealing with people that have to be

motivated in order to solve their problems. The people who run these programs need the ability to be able to say to the offender, if you do not cooperate and if you do not perform, you will go back to jail. In Multnomah County, offenders know that this is an empty threat. Witness after witness described situations where people would be returned to jail, only to be matrixed out. In Multnomah County, you do not have to comply with the program and you still get let out of jail. It makes it difficult, if not impossible, for these programs to operate effectively. Again, the overall cost and waste to the system is tremendous.

There are several immediate steps that can and must be taken by Multnomah County. The first of these steps is to acquire the permits to open 80 additional beds at the Multnomah County Restitution Center. Currently, the population of this facility is 80, and they have the capacity for 80 more, pending approval by the City Council.

This 160 bed capacity may never be fully utilized because of the unique nature of MCRC. The screening panel that must approve everyone before they can be admitted to the facility may never find 160 acceptable inmates. It is important that the County have this capacity, however, should an acceptable pool of inmates be available. MCRC is a program that is unique and is working well and there is no reason that it cannot continue to do so with an increased population, whatever that number may be.

There are a number of steps that can be taken in order to increase the number of jail beds at MCIJ. These steps will be described, starting with those steps that gain the fewest number

of beds and ascending to the steps that gain the most number of beds.

The initial design for MCIJ called for 200 beds, with the beds arranged so that there were 40 in each of 5 dorms. Because the Sheriff needed 20 additional beds for federal prisoners, 4 bunks were added to each of the 5 dorms. This was accomplished as follows: there are 10 cubicles per dorm, 4 of those cubicles were increased to 5 bunks and 6 of the cubicles were left with 4 bunks. This was done merely by rearranging the bunks in the 4 cubicles that were increased to 5 bunks. The Grand Jury strongly recommends 1 extra bunk be put in each of the 6 cubicles that do not currently have one in each of the 5 dorms. This would result in an immediate increase of 30 extra beds. The capacity for MCIJ would be increased to 250 beds under this proposal.

Another way to increase the capacity of MCIJ is to replace the single beds, which currently make up all of the jail beds, with bunk beds. This could be done in varying degrees. One of the objections to bunk beds voiced by correctional staff is that it destroys the sight lines. It is harder to see what is behind a bunk bed because the view is more obstructed. Assuming the beds are rearranged and added as recommended above, there would be a total of 86 beds in MCIJ that are located along a full wall. This means that there are 86 single beds that could be converted into bunk beds and there would be absolutely no loss of sight lines because these beds are along walls. The Grand Jury strongly recommends this proposal be adopted to increase the capacity of MCIJ from 250 beds to 336 beds.

The next step that could be taken is to convert all beds in work crew dorms to bunk beds. If we assume that we have already converted each dorm to a capacity of 50 beds (under the first proposal), then this would add 50 beds to each work crew dorm. The reason for this distinction is because presumably those housed in work crew dorms are going to be out working during the day. Since they are out of the facility, the needed supervision is less than if they were in the facility all day long.

The final possibility is to convert all single beds in MCIJ to bunk beds. Assuming that we have already repositioned the beds to add 30 to the facility, this would double the 250 beds to a total of 500 beds. This is based on the assumption that inmates assigned to MCIJ will continue to have lower classification scores than inmates at MCDC, and so the potential supervision problems will be fewer. It is also important to point out that although bunk beds may not be the first choice of corrections personnel, bunk beds are standard at MCCF. The objections must also be balanced against the legitimate needs of Multnomah County citizens to keep criminals incarcerated.

Other interim steps should be examined. For example, as stated in previous Grand Jury reports, at the expiration of the state lease, the County should reclaim and reopen Claire Argow Women's Facility. This would give an additional 100 beds to the County correctional system.

Moreover, there is presently a federal court ordered limit on the number of prisoners who can be housed at MCDC. This order is

the result of a consent decree voluntarily entered into by the County.

Multnomah County should resist any attempts to place a population cap on MCIJ. It is the Grand Jury's belief that limitations of this nature are not constitutionally required. Recent case law clearly demonstrates, for example, that there would be no constitutional violation if many of the single cells in MCDC were double bunked. Additionally, exactly what might be constitutionally required must be viewed in light of the conditions at MCCF. That facility, like MCIJ, is a dormitory style facility. That facility houses 186 prisoners, has bunk beds, and passes constitutional muster even with less space and fewer facilities per prisoner than MCIJ.

The Grand Jury believes it is essential that the County vigorously fight any attempt to place a population cap on MCIJ. If this issue arises, the County should go to federal court fully prepared to fight for the citizens' need for more jail beds. The County can and must make a strong argument that any population cap on MCIJ should be well above the design capacity.

III. OTHER GENERAL ISSUES

A. Transport

Testimony of the witnesses who were questioned on the subject of transport indicated that the transporting of prisoners was causing multiple problems throughout the criminal justice system. Judges and attorneys reported that inmates were often arriving late or not at all. Witnesses from the Transport Section of Corrections reported that there were

problems with data entry entering incorrect information and problems with a lack of staff. When inmates are not properly transported, it causes a waste of time and money to the system. It causes court staff to sit and wait and the general inefficiency that this causes in the system is multiplied many times over.

As a result of the serious problems which were testified to, the Grand Jury would make the following recommendations:

1. Currently, male and female prisoners are transported on the same bus and need to be kept separated. Re-screen existing transport buses to facilitate interchanging use of those vehicles. Currently, there is one bus that has a section which can only hold six prisoners. With the addition of the Inverness Jail, there is much more transporting of prisoners going on than previously. It is important that each vehicle be as adaptable to as many different transport situations as possible.
2. There should be more accountability for those responsible for records entry to help avoid transport errors or omissions. Corrections' transport staff reported that mistakes by data entry caused them not to have the right prisoners in the right place at the right time on numerous occasions. If the people entering the data are held accountable, it is felt that the errors can be reduced.
3. Five more transport officers should be added to the staff immediately. Currently there is a distinction

between those that wear green coats and those that wear brown coats. Those that wear brown coats are corrections officers, while those that wear green coats are sworn Multnomah County Sheriff's deputies. The transport function is currently performed by the Multnomah County Sheriff's deputies. The Grand Jury found no legal reason for this practice, especially in the case of those who drive the transport buses. There is no reason why these people cannot be corrections officers instead of Sheriff's deputies. There should be an attempt to facilitate cross-training and use the corrections officers at peak times and then have them return to corrections duties other than transport. This will help ensure the inmates timely appearance in court.

4. A new bus should be purchased since a new facility has been opened and there are even greater transportation needs now than before. Currently, if a bus breaks down, it causes problems because of the lack of replacement vehicles. There are three large buses currently in use, one of which is getting quite old and one which is very unreliable.
5. Additional personnel should be added to the transfer area of MCDC. Because of the lack of personnel, there are delays that occur in this area which slow down the entire transport process.

B. Laundry

Currently, all laundry services are being conducted at an old retrofitted power station located adjacent to the Multnomah County Correctional Facility in Troutdale. To say the least, the Grand Jury viewed this facility as generally in a state of disrepair. Due to the age of the building and the nature of the facility as it exists today, it is strongly urged that the laundry services themselves, together with all the equipment, be moved to some other facility more suitable for on-going work of this nature. With the most recent acquisition of the 11 acres to the immediate West of the MCIJ facility, it is strongly suggested that if any additional construction be proposed at that MCIJ facility, that a new laundry be built at that facility. In fact, if that were the case, all work crew personnel designated for work at the laundry would be in close proximity to the actual facility being used to perform that service.

In recognition of the scarce corrections dollars available for construction of new facilities, the Grand Jury does wish to make certain necessary interim recommendations pertaining to the facility now in use in Troutdale.

Of concern to the Grand Jury was the repeated testimony received concerning the introduction of contraband into all facilities through the laundry process. Testimony revealed that contraband was left adjacent to the laundry facility,

picked up by inmate work crew personnel, and returned to the facility within the laundry or the clothing of those inmates.

For that reason, it is suggested that Multnomah County corrections personnel look into the effectiveness of a fence placed around the laundry facility to avoid any contraband being placed in proximity to the locations currently being used by inmates during the laundry process.

The power station itself was in need of at least two rather immediate repairs.

1. The Grand Jury noted a hole in the concrete flooring approximately 8 to 10 inches in diameter in the washer/dryer area of the facility. This hole must be capped with concrete.
2. Additionally, the entire ceiling and wall plastering in the clean laundry folding area of the facility was falling off. If any of those sizable chunks of dislodging plaster were to strike an inmate from above, it could cause a serious injury. This old plaster must be removed before an injury occurs.

Both the removal of the cracked and falling plaster, as well as the repair to the hole in the floor, were thought to be perfect jobs for work crew personnel on a normal work crew outing.

Although previous Grand Juries had remarked about the need to disinfect the tubs used to carry clean and soiled linens back and forth to the various facilities, this Grand Jury saw no indication that any disinfectant was being used

within those carts. Again, this Grand Jury strongly recommends that some form of disinfectant be used to avoid the contamination of the clean laundry by any residual bacteria left within the carts.

Finally, the Grand Jury noted that various blankets that were being washed and dried in the facility had little or no actual blanket material left on the matting. The Grand Jury strongly recommends that greater care be used by the laundry personnel to remove and dispose of any blanket that does not contain sufficient blanketing material.

C. Commissary

Generally, the commissary and commissary procedures are running well. The Grand Jury is acting out of a layman's concern that there are too many candy and sugar items available and not enough nutritional foods that can be obtained. The Grand Jury would urge the people responsible to look at other County programs, such as Lane County. It appears that Lane County corrections' commissary contains far fewer candy and sugar items and yet still has approximately the same number of overall items available.

None of the Grand Jurors are experts and did not take expert testimony about this, but are merely concerned about the link between a high sugar content and hyperactivity. Perhaps there would be a way to limit the quantity of sugar products per week that could be purchased by an inmate.

The selection of high protein edibles should be increased and perhaps the dollar limit to purchase these high

protein items should also be increased above the current \$25 per week maximum to supplement diet quantity.

The Grand Jury feels that the availability of liquids in boxed containers should also be examined.

D. Air Quality

Previous Grand Juries have commented negatively on the air quality of MCDC due primarily to smoking in the institution. Since that time, smoking has been prohibited in MCDC. This is a policy that appears to be working quite well. It is included in this Grand Jury report merely to comment on the success of this policy.

The living and working environment is much cleaner and healthier than in years past. Although past Grand Jury reports expressed some concern for the problems such a policy may cause, for the most part those problems have not materialized. Certainly, there are inmates who complain about not being able to smoke, but this is not viewed as a serious problem and witnesses were nearly unanimous in saying that this policy has been very successful overall.

The Grand Jurors did notice and feel compelled to comment that at one point during the tour of MCDC, there was the lingering odor of pipe tobacco in an area staffed by corrections personnel. Perhaps the new policy is not being enforced and followed as universally as it should be.

IV. FACILITIES

A. Multnomah County Detention Center

This facility was opened in 1983 to replace the Rocky Butte Jail, located in East Multnomah County which was to be removed as a part of a local freeway expansion project. Although capable of holding more than its designed capacity of 476 inmates, inmate population at the MCDC has been restricted to the designed capacity of 476 as a result of the ongoing implementation of the stipulated federal court order. The general population living units are divided into modules, each containing 32 individual cells. As a result of the classification units review of all facilities, the MCDC now houses the most serious inmates within the Multnomah County corrections system.

Although this was viewed to be Multnomah County's most maximum security type facility, it was in all respects in good condition and was being well operated. The modules that were visited by the Grand Jury appeared to be clean and orderly.

Although the modules for the most part appeared to be functioning quite well, comments from various witnesses suggested that there are some areas that need to be examined for possible correction.

The Grand Jury heard testimony from defense attorneys whose primary concerns were the frequent and lengthy delays associated with visiting their clients within the modules. They stated that it was not uncommon to arrive within the

module visitation room only to wait in some cases thirty minutes to an hour for the arrival of the inmate or to wait thirty minutes to one hour to have the inmate taken back to the module from the visitation room after notification was made that the visit was over.

Corrections management indicated that it was unaware that there had been any problem associated with attorneys seeing their clients, but agreed to look into it as a result of the Grand Jury's concerns.

Currently, each module appears to be fitted with one telephone for use by inmates. Currently, the process of inmate calling requires that the inmate make a collect telephone call to the outside number. Each inmate making such a telephone call is limited to a maximum fifteen minute conversation. The Grand Jury heard testimony that in some cases the business at hand could not be conducted in a fifteen minute interval and as a result the inmate was forced to have to make another collect call to be able to finalize his conversation with the outside party.

Currently, the modules are equipped with a type of free-standing movable steel chair for use by the inmates within the module. The Grand Jury heard testimony that these chairs, weighing approximately 38 pounds, were susceptible to immediate use as a weapon should a fight develop within the module. In recognition of that concern over the type of chair being used within the facilities in Multnomah County, the Corrections Division chose to equip the new MCIJ facility

with a plastic type chair for use by the inmates. As noted in this report, the MCDC is housing the most dangerous and serious offenders within the Multnomah County corrections system. Out of concern for the corrections staff who may be called upon to terminate fights within the modules, those steel chairs must be replaced with their plastic counterparts.

Based upon statistical information provided by the Multnomah County Corrections Division, annual bookings into the Multnomah County Detention Center went from approximately 18,500 bookings per year in 1985 to a projected 26,000 bookings in 1988. The Grand Jury heard testimony that as a result of the increase in those booking numbers over the years, the reception area of MCDC was at times overloaded and was forced to close for periods of hours. These closures have been on the increase and are generally at times of increased criminal activity on the street.

Testimony from both police and corrections personnel placed those closures as generally occurring between the hours of 11:00 p.m. and 4:00 a.m. the following morning. The Grand Jury heard no testimony that would suggest that those booking numbers were anticipated to decrease within the near to long range future.

As a result, it is absolutely essential that the Corrections Division focus upon necessary and needed design modifications to the reception and booking areas of the MCDC immediately.

The Grand Jury found that police officers were forced to sit with prisoners at remote locations throughout the city for periods of up to five hours while awaiting the opening of the reception and booking areas of the MCDC so that the prisoners could be transferred to the custody of the Multnomah County Corrections Division. The Grand Jury finds this unconscionable at a time when police resources are so scarce. This problem must be addressed immediately to avoid leaving the residents without necessary police protection.

Within the reception and booking area of the MCDC there is an area that is described as a staging area. This area is used primarily by the MCDC to process groups of inmates both coming to and going from the MCDC on chains. Although this area was recently remodeled to add increased space, the staffing in the facility has stayed the same. There have been complaints that the one corrections officer currently assigned to that staging area at times is incapable of handling the work to be done in that area.

As a result the transport function can be held up while awaiting the proper staging and chaining of prisoners to be taken from the MCDC. It is suggested that the Multnomah County Corrections Division look into the assignment of an additional corrections officer to assist in the staging procedures at that area during times of peak usage.

Within the reception area of the MCDC, it is currently the practice to distribute bedding and two blankets to each inmate who is temporarily placed within the reception area.

This distribution of bedding occurs at the time the inmate is placed within the reception area notwithstanding the time of day involved. The Grand Jury heard testimony that it was not uncommon for an inmate to be moved a second time from the reception area to another part of the MCDC and remove the two unused blankets and bedding and throw them into the soiled linens basket to be taken to the laundry for cleaning.

In recognition of the cost and work associated with the current workload of the laundry service as its currently being conducted, this procedure must be modified.

The Grand Jury suggests that inmates placed temporarily in the reception area during daytime hours only be given bedding upon request. Additionally, any inmate placed into a reception area cell after 8:00 p.m. or who is still being held in a reception cell after 8:00 p.m. be provided with the necessary bedding and blankets.

As a last suggestion in this area, the Grand Jury, while noting the comfortable temperature range within the reception and module areas of the MCDC, would recommend that the Corrections Division assign bedding at one blanket and accompanying bedding as opposed to two blankets and bedding and allow inmates a second blanket upon request. Anyone who is sentenced over 30 days should be issued clean blankets every 30 days.

The Grand Jury noted that in apparent recognition of complaints from inmates as well as prior Grand Jury reports, the Corrections Division had installed convection ovens in

the food processing section of the modules. It was explained that these convection ovens would be used to insure that the food being served to the inmates within the modules was heated to an acceptable temperature.

B. The Courthouse Jail

The Courthouse Jail is located in the Multnomah County Courthouse and has, by virtue of the stipulated federal court order, a maximum population of 70 inmates. Also as a result of the stipulated federal court order the maximum stay by each of these 70 inmates is thirty days because the facility lacks any outdoor recreational facilities.

It was noted during the taking of testimony that the classification section of the Multnomah County Corrections Division monitored very closely the type of inmate being housed within the Courthouse Jail. Although the facility is of the old design with predominately large steel bars for partitions, the facility was painted in a light color and appeared clean and orderly to the Grand Jury.

C. The Multnomah County Correctional Facility (MCCF)

MCCF is located in East Multnomah County on essentially a rural piece of property within the incorporated limits of the City of Troutdale. The facility is of essentially cinderblock with plywood roof construction and at most currently would be classified as a somewhat fortified minimum security facility.

The facility as it stands today has a fire code imposed maximum population of 186 inmates. Currently those inmates

are housed in three predominately bunk bed furnished dormitory wings. All three dormitory wings and, as a result, all 186 inmates are connected together, and open at one end allowing inmates to access the recreational, dining, and lavatory facilities from the dormitory wings.

The Grand Jury heard testimony from the classification staff as well as the corrections staff to the effect that the dangerousness of the individual inmates being housed at MCCF had risen to critical proportions over the past few years.

The facility is no longer a minimum security work release center. It now is a medium security presentence holding facility for 186 inmates. Given the facility that Multnomah County inherited for this component of Multnomah County corrections, this Grand Jury was not unmindful of the concerns and the proposals being made by Multnomah County to ease the dangerousness of that ongoing living situation.

However, notwithstanding the concern and proposals expressed by the witnesses, this Grand Jury would urge immediate action as outlined below to ease the risk of a violent disturbance at this facility.

Of utmost priority to any additions or improvements to MCCF must be the securing of the dormitory wings and control center. Currently proposed and approved for construction is a screening of the open fronts to each of the dormitory wings as well as a securing of the control center from the reception side of the facility. Insofar as these improvements would safeguard the inmates and corrections officers by faci-

ilitating a lockdown of the dormitory wings, they must be added as soon as possible.

An additional capital improvement to the dormitories themselves should be a sally port on the end of each dorm where the door opens up to outside yard.

Proposed and approved, but as yet unconstructed, is the ribbon wire that is to be placed between the two chainlink fences that surround the entire facility. As noted by the Grand Jurors by virtue of their own observations, there is nothing to prohibit somebody from cutting their way from the outside to the inside through both of the tall fences surrounding that facility. The proposed and approved ribbon wire between the two fences would effectively curtail that type of threat to the facility.

Additionally, it was noted that some of the ribbon wire adjacent to the front door of the facility was broken and should be repaired.

The same type of 38 pound steel chair used at MCDC is being used at MCCF. Again, it is noted that in recognition of the seriousness of the offender awaiting trial at MCCF, these steel chairs all too often potential weapons for any type of violent disturbance that may break out within the facility.

As a result, the Grand Jury additionally suggests that these steel chairs be replaced with the type of plastic chair currently being used in the new MCIJ facility.

Currently, the dining wing of MCCF is designed with a steel door that can be manually closed to shut off the kitchen area from the dining area by staff personnel. In the event of a violent disturbance breakout within the facility, such closure might be impossible since corrections staff may be unable to get to the door to close it. As with any kitchen, the kitchen facilities at MCCF contain many items, not the least of which are knives, which could be used as weapons during any such disturbance.

As a result, this Grand Jury concurs in the recommendation by the Multnomah County corrections staff that the steel door be motorized and subject to operation from within the control unit by the corrections staff.

The Grand Jury noted the existence of riot gear for use by corrections staff at MCCF. Although the gear was placed in such a location as to be usable by corrections staff, it was noted during testimony that there had yet to be any training of corrections staff in the use of any of those items. Although it is clear that, should a violent disturbance occur at MCCF, the corrections officers assigned to that facility would not enter the dormitory area without additional corrections officers on scene, it is recommended that all MCCF personnel be trained in the use of that riot gear to assist backup corrections officers in quelling any disturbance at MCCF should one occur.

Finally, it should be noted that notwithstanding the potential for a violent disturbance that may exist at MCCF

due to its changing population, the facility still maintained an inmate preference superior to that of the MDCDC.

This inmate preference is predominately associated with the quality and quantity of the food being prepared by Multnomah County for the inmates at that facility. The Grand Jury having sampled that food would concur that not only the quality but also the quantity was of proportions to be universally acceptable to any inmate who came to that facility. Multnomah County is to be commended for continuing its own preparation and service of food at that facility notwithstanding the contract with Service America, Incorporated, at all other facilities.

D. The Multnomah County Inverness Jail (MCIJ)

The MCIJ was partially opened in October 1988 and as of this Grand Jury's tour stands with three of five proposed dormitories currently housing inmates. Both in its design and its simplicity, the taxpayers of Multnomah County should well be proud of what they received for their money in this facility. Although extremely functional, this facility is not in any way labor intensive. The general housing units are constructed in such a fashion as to have lavatory, television, recreation, library, and outdoor exercise areas available for use by inmates within each living unit. This means that inmates need not be continually moved day-in and day-out to these various facilities for their use.

Although this facility was originally designed for sentenced inmates only, it like most other facilities, due to a

lack of jail space within Multnomah County generally, is being used to house some unsentenced inmates. Notwithstanding the presence of some unsentenced inmates, the MCIJ is gearing up for its intended use in sending out sentenced work crew inmates to perform public works projects in Multnomah County.

Although work crews of sentenced inmates are nothing new to Multnomah County corrections, this facility seems to have made great strides in increasing the use of work crews generally.

Currently work crews have begun by addressing the needs of various Multnomah County parks and Multnomah County facilities with their work crew projects. However, as the numbers of work crews increases and the projects on Multnomah County facilities decrease, an effort should be made to locate other state and local governments willing to pay for work crews from the MCIJ to pursue various acceptable tasks within their governmental units. Such paying customers could result in increased equipment and transportation without additional cost to Multnomah County.

Although the MCIJ has just opened and procedurally is still in its beginning phases, two issues arose during the taking of testimony before this Grand Jury that deserve attention.

First is the need for an inspection sally port within the intake area of the MCIJ. Currently incoming work crews enter the reception area of MCIJ, remove their work crew

clothing, are searched and finally moved to a separate area within the reception section to redress into their inmate clothing. Insofar as a complete inspection of their person is necessary to avoid the introduction of contraband into the facility, there is absolutely no privacy associated with this necessary procedure. It has been proposed and this Grand Jury does support the recommendation that two curtained areas within the reception section be built to allow this necessary procedure to occur with some privacy.

As a general comment by inmates generally, the food quantity being served to inmates generally by Service America, Incorporated, was universally of low proportion. Corrections personnel testified that the Service America, Incorporated contract requires that each inmate receive a daily caloric intake of 3,200 calories. While this number is certainly acceptable and sufficient for the inmates in the general housing modules within the Multnomah County corrections system, it is anticipated that such a caloric intake would not be sufficient for the work crew members who are spending five to seven hours a day at hard manual labor.

Currently in recognition of the extra effort being put forth by work crew members, Multnomah County corrections personnel are supplying work crew personnel with a larger lunch than would normally be provided to the general housing population. However, in anticipation of the benefit to the public by the work crews generally, as well as to supply the inmates with the additional calories necessary to handle the

manual labor being performed by them outside the facility, it is recommended that the Corrections Division supply extra portions to work crew members for both breakfast and dinner meals.

During the inspection of MCIJ and during the taking of testimony concerning the operation of MCIJ, the following three design modifications were noted and are being recommended by this Grand Jury:

1. To avoid the introduction of additional drugs into the facility by their being thrown into the exercise areas of each dormitory section, it is recommended that the MCIJ facility be retrofitted with a fence around the living end of the facility.
2. In recognition of the fact that over time it will become increasingly more difficult to keep the concrete floors within the facility clean and sanitary because of their essentially porous nature, it is recommended that the County look into the cost associated with tiling of those concrete floors with a linoleum type tile.
3. So as to additionally monitor the activities within each dormitory living unit, cameras should be installed within the units that can be monitored in the control area. Currently, minor offenses by inmates within the dormitory sections are disciplined by sending the inmate back to MCDC. Generally the result of such a disciplinary action is to send a more serious offender out to MCIJ to take the place of the inmate who is being sent back to MCDC.

As soon as the ten multipurpose cells within the MCIJ are completed, minor offenses by inmates must be handled in-house. This will maintain the integrity of the institution while at the same time relieving the constant pressures on the transport unit to provide transport for the rotating prisoners.

As with the riot gear at MCCF, similar gear is located at MCIJ but there currently is no training for its use. Such a training program should be scheduled for presentation to all corrections officers as soon as possible.

E. The Multnomah County Restitution Center (MCRC)

The Multnomah County Restitution Center is located at 1515 S.W. 11th Avenue. The facility currently houses up to 80 work release and restitution authorized inmates in a renovated hotel. The facility stands today as a model for all other communities to view in relation to the positive interaction between the citizens within that community and the corrections management to establish a workable, safe, acceptable facility within the community. In recognition of the very difficult task of finding appropriate and acceptable locations for any correctional facility within the State of Oregon, the Grand Jury applauds the efforts of both the citizens within the community as well as Multnomah County management for making this facility as successful as it is today.

During the taking of testimony and on-site observations, certain minor matters came before the Grand Jury which should

be mentioned to assist in the future efficient use of this facility.

Of major concern to the efficient sentencing of persons by the Multnomah County courts, is the need to have some acceptable form of prescreening of potential candidates for assignment to MCRC. Currently an inmate may only be screened for housing at MCRC after the inmate has been sentenced to a term of incarceration. As procedure now properly dictates any person on the screening committee may veto that inmate's participation for any reason. As a result, judges are incapable of knowing whether or not a specific inmate is acceptable for housing at MCRC until after sentence has been rendered. The screening committee, in recognition of the obvious additional workload associated with prescreening presentenced inmates for their acceptability for housing at the restitution center, indicated that it did not have the ability to prescreen.

Notwithstanding that concern, it is the opinion of this Grand Jury that the efficiency of the entire criminal justice system would benefit from some form of complete, if not partial, prescreening of persons thought to be acceptable for housing at MCRC. It is, therefore, recommended that the screening committee in conjunction with the classification/matrix unit establish some reasonable guidelines of persons thought to be most probably acceptable for inclusion in the restitution center. That list of criteria would then be published to the courts, prosecutors, presentence investi-

gators, and defense attorneys such that if a presentence inmate fit the screening committee's criteria for prescreening the inmate would be referred to the screening unit for prescreening prior to sentence. As is the case now, any other inmate who did not initially fit the prescreening criteria would be screened after sentence.

It is hoped that the very stringent prescreening criteria would make available some form of prescreening to the court while at the same time cutting down on the numbers anticipated by the screening committee if all cases were prescreened.

As is the case at MCIJ, minor offenses by residents at MCRC are handled by returning the inmate to the MCDC for the balance of that inmate sentence. The effectiveness of such a penalty is compromised to a large degree by the likelihood that the returning inmate would be matrix released prior to the service of the entire sentence. As a result, the Grand Jury strongly suggests that the MCRC establish some forms of on-site in-house restrictions that would resolve those offenses without the necessity of compromising the original sentence.

The recreation and laundry sections of MCRC are currently housed in the basement of that facility. Although as many as 80 inmates may at any one time be in the basement using those facilities, the area itself is only equipped with one toilet fixture. As proposed, additional toilet fixtures should be added to that facility by altering the adjacent

areas to enlarge that facility. However, in the interim serious consideration should be given to allowing residents to use the toilets currently located in the lobby of the facility on a more liberal basis.

F. Donald E. Long Home (JDH)

This facility is currently being used for house juveniles under circumstances involving very limited stays at that facility. The facility is located at approximately N.E. 68th and Halsey, Portland.

During the Grand Jury's visit to this facility, the Grand Jury noted that there was no sally port area in existence for incoming juveniles. The Grand Jury did hear of incidents where incoming juveniles escaped from just outside the facility because of the lack of some form of sally port. The Grand Jury therefore recommends that the County install a fenced sally port for incoming vehicles carrying juveniles to be admitted into the facility.

The Grand Jury found it necessary to remind Multnomah County officials of the reports of previous Grand Juries concerning the dreary, disorderly condition of the juvenile living wings of this facility. Again, this Grand Jury strongly recommends that some form of regular discipline, cleaning, and orderliness be maintained inside the facility to upgrade its appearance. Some of this may be gained by simply repainting the facility in a lighter shade.

V. CONCLUSION

The progress that has been made in this decade needs to be acknowledged. The prisoners in our jails are treated humanely and fairly. Their living conditions exceed constitutional requirements in most respects. One hears a number of comments about how much better the conditions are for Multnomah County prisoners than conditions were for armed forces personnel serving in the military.

The progress made in protecting the citizens of Multnomah County has not been so complete. To be sure, in the last few years we have added to the number of jail beds available, and those additions should be commended. The progress here is somewhat deceptive, however, because the size of the problem has grown so much more quickly than the response to the problem.

Time and time again, the Grand Jurors were told that programs designed to be an alternative to jail cannot work without an empty jail bed to back them up. Witnesses who had a practical expertise were unanimous in saying that people who had gotten themselves involved in the criminal justice system often need the motivation and persuasion of a jail bed to get them to do the things involved in these alternative programs. Multnomah County does not currently have the ability to give them that motivation. As a result, we waste precious time and money trying to convince people to show up for court or to complete their drug program when they know that nothing will happen if they do not.

The urgent need for more jail space certainly justifies interim steps to increase capacity at our present facilities.

Approval must be gained to open the additional 80 beds at MCRC. The population of MCIJ should be increased, both by rearranging beds and by adding bunk beds where single beds now stand. These steps may make the job of corrections officers slightly more difficult but certainly not unworkable. Given the relief that the public so desperately needs from the criminals who will be incarcerated, the trade off is more than worth it.

Steps should be taken to ask the federal court to re-examine the consent decree that caps the population of MCDC at 476. Constitutionally, many more prisoners may be housed in that facility. We know that MCDC can be operated with a higher number of prisoners because it has been done in the past. Again, given the desperate need for more jail beds in Multnomah County, the hardship involved in the operations of the jail are far outweighed by the needs of Multnomah County citizens.

There are many priorities facing Multnomah County in 1989. There are several things that can be done to improve Multnomah County corrections. First and foremost, we must increase our jail space. The need is urgent and immediate.

Respectfully submitted,

Karen H. Smith
KAREN H. SMITH
Foreperson

Thelma Crawford
THELMA CRAWFORD
Alternate Foreperson of Grand Jury

Phillip W. Lepley
PHILLIP LEPLEY

Darrel Heim
DARREL HEIM

Joan Hodges
JOAN HODGES

Phillip King
PHILLIP KING

Dated this 28th day of December, 1988

informed

DATE SUBMITTED 1-10-89

(For Clerk's Use)
Meeting Date 1/17/89
Agenda No. #3 AM

REQUEST FOR PLACEMENT ON THE AGENDA

Joy

Subject: Office of Women's Transition Services

Informal Only* 1-17-89
(Date)

Formal Only _____
(Date)

DEPARTMENT Justice Services DIVISION Office of Women's Transition Services

CONTACT John E. Angell TELEPHONE 248-3701

*NAME(S) OF PERSON MAKING PRESENTATION TO BOARD Joanne Fuller

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Briefing on the first 6 months of operation of the Office of Women's Transition Services and future plans.

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA 20 minutes maximum

IMPACT:

PERSONNEL None
 FISCAL/BUDGETARY None
 General Fund
 Other _____

BOARD OF COUNTY COMMISSIONERS
MULTI-COUNTY OREGON
1989 JAN 12 11 09 AM

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: *John E. Angell*

BUDGET / PERSONNEL _____

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

OTHER _____
(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.

OFFICE OF WOMEN'S TRANSITION SERVICES: Coordination Projects

Mission

To reduce crime and delinquency by planning, developing funding, coordinating, and evaluating services for women offenders to ensure that they become law-abiding, self supporting and able to provide appropriate care to their dependent children. To ensure the existence of the women's services needed and to optimize the effectiveness and efficiency of service delivery.

o Council for Prostitution Alternatives Evaluation

A joint project between OWTS and the City of Portland to evaluate the outcome of four years of CPA services for 400 women. This evaluation will also compare the cost of CPA services with the cost of prosecuting, arresting and jailing prostitutes in Multnomah County. (Completion date: January 1989) \$2,000

o Alcohol and Drug Treatment for Women with Children

The OWTS staff is working with the County A/D program office staff, and alcohol and drug providers to develop new services for women with children. This planning process is just beginning. We hope to have services in place April 1989. OWTS has assigned \$30,000 to this project.

o Courts Domestic Violence Project

OWTS is working with the Advisory Committee of the Courts Domestic Violence Project to develop increased effectiveness of prosecution and community services in domestic violence cases. (Ongoing)

o Women with AIDS

OWTS is beginning a needs assessment of women with AIDS (many of who are involved in the corrections system). This assessment will include working with AIDS services providers, corrections services providers and Oregon Women's AIDS Network (OWAN) to develop a range of services for women with AIDS. (beginning now)

o Network of Womens Corrections Service Providers

The OWTS is establishing a network of women's corrections service providers to facilitate training for staff, sharing information, and developing plans for new programs. Training has been provided for Burnside Projects. WERC, Steps to Success, YWCA.

o Personal Violence Reduction with Women in Columbia Villa

OWTS is developing an intensive personal violence reduction group support/education model for women in Columbia Villa. This treatment group would be implement in conjunction with services offered by the multi disciplinary services team in Columbia Villa.

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OFFICE of WOMEN'S TRANSITION SERVICES: DIRECT SERVICES:
The Office of Women's Transition Services Has Designed These Services For Women

<u>SERVICES</u>	<u>LENGTH OF SERVICE</u>	<u>ELIGIBILITY</u>	<u># OF WOMEN/ FAMILIES SERVED</u>	<u>LOCATION</u>	<u>STARTUP</u>
<u>Community Advocacy and Support (CAS)</u> Intensive intervention with women and their families who require basic needs assistance longer term medical & mental health care, and problem solving/parenting skills.	6 + monthly	<ul style="list-style-type: none"> o Referral from Probation/Jail staff o Must have children o History of substance abuse 	30 this year	Rose Apts. 631 S. E. Taylor	October 1988
<u>SEXUAL ABUSE SUPPORT/ TREATMENT GROUP</u> 16-32 week outpatient treatment for women with a history of sexual abuse	2 - 3 hours weekly	<ul style="list-style-type: none"> o Referral from corrections system o 3 months clean and sober and in treatment 	15 women	Rose Apts. 631 S. E. Taylor	December 1988
<u>EMERGENCY HOUSING</u> 2 beds available for emergency housing when women leave jail or other correctional facilities. 24 hour counseling staff for support/problem solving. Alcohol/drug free facility.		<ul style="list-style-type: none"> o Referral through Community Advocacy and Support. o Commitment to follow no alcohol/drug use policy 	Up to 34 women	YWCA 1111 S. W. 10th	November 1988
<u>PERMANENT SUBSIDIZED HOUSING</u> 1 room apartments in a secure all women's apartment complex. Women will be case managed while living in these apartments.	Up to 10 years (1 - 2 years expected)	<ul style="list-style-type: none"> o Homeless o No children 	8 apartments	Rose Apts 631 S. E. Taylor	November 1988
<u>DIRECT SERVICES FUND</u> Payment for specialized services needs for women in corrections including:	1 x only assistance	<ul style="list-style-type: none"> o supervision in the community through probation or a community residential program 	Currently 25		November 1988
<ul style="list-style-type: none"> o medical care o mental health treatment o A/D treatment o job search transportation needs 					

WHERE ARE WOMEN IN THE CRIMINAL JUSTICE SYSTEM

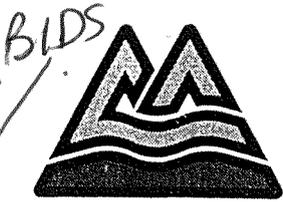
<u>SETTING</u>	<u>NUMBER OF WOMEN</u>	<u>LENGTH</u>	<u>NEEDS ADDRESSED</u>	<u>STATUS</u>
<i>Jail</i>				
Multnomah County Detention Center	100	Variable (depending on sentence)	<ul style="list-style-type: none"> ● Medical Assessment Care ● Immediate Counseling Needs ● Referral to Work Release 	Custody
Inverness Jail				
<i>Programs</i>				
Our New Beginnings	45+ children (babies)	Variable (depending on sentence)	<ul style="list-style-type: none"> ● All Basic Needs ● Counseling Drug Treatment ● Job Counseling ● Referral to Appropriate Community Programs 	Work Release (from jail) Probation Self Referral Sentenced by Judges
Volunteers of America	20	90 days	<ul style="list-style-type: none"> ● All Basic Needs ● Drug/Alcohol Treatment ● Counseling ● Referral to Appropriate Community Programs 	Probation Sentenced by Judges
YWCA TOP	8	Variable (depending on sentence)	<ul style="list-style-type: none"> ● All Basic Needs ● Drug/Alcohol Treatment Referral ● Counseling ● Referral to Appropriate Community Programs 	Work Release
OFFICE OF WOMEN'S TRANSITION SERVICES	30	6+ months	<ul style="list-style-type: none"> ● Intensive Case Management ● Specialized Counseling ● All Basic Needs ● Long Term Permanent Housing ● Referral to Appropriate Services 	Probation (County & State)
COUNCIL FOR PROSTITUTION ALTERNATIVES:	40	6+ months	<ul style="list-style-type: none"> ● Case Management ● Basic Needs Assessment ● Housing ● Counseling 	Voluntary Referral by P.O.'s & Judges
YWCA				
TASC				
OUTSIDE IN				
WILLAMETTE BRIDGE				

WHERE ARE WOMEN IN THE CRIMINAL JUSTICE SYSTEM

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YWCA				
TASC				
OUTSIDE IN				
WILLAMETTE BRIDGE				

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The Office of Women's Transition Services Has Designed These Services For Women

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<ul style="list-style-type: none"> o medical care o mental health treatment o A/D treatment o job search transportation needs 					



MULTNOMAH COUNTY OREGON

Approved

*# 1 p.m.
1/17/89
Jmj*

DEPARTMENT OF GENERAL SERVICES
PURCHASING SECTION
2505 S.E. 11TH AVENUE
PORTLAND, OREGON 97202
(503) 248-5111

GLADYS McCOY
COUNTY CHAIR

MEMORANDUM

TO: Jane McGarvin, Clerk of the Board

FROM: Lillie M. Walker, Director, Purchasing Section

DATE: January 11, 1989

SUBJECT: FORMAL BIDS AND REQUESTS FOR PROPOSALS SCHEDULED FOR INFORMAL BOARD

BOARD OF
 COUNTY COMMISSIONERS
 1989 JAN 11 PM 2:49
 MULTNOMAH COUNTY
 OREGON

The following Formal Bids and/or Professional Services Request for Proposals (RFPs) are being presented for Board review at the Informal Board on Tuesday, January 17, 1989

Bid/RFP No.	Description/Buyer	Initiating Department
B62-928-3298 <i>10</i>	NUISANCE ABATEMENT	DES/FM
	Buyer: Frank Lopez	Contact: Larry Baxter Phone: x3322
	Buyer:	Contact: Phone:
	Buyer:	Contact: Phone:
	Buyer:	Contact: Phone:

cc: Gladys McCoy, County Chair
Board of County Commissioners
Linda Alexander, Director, DGS

Copies of the bids and RFPs are available from the Clerk of the Board.

TO: DAILY JOURNAL OF COMMERCE

Please run the following Classified Advertisement as indicated below, under your "CALL FOR BID" section

MULTNOMAH COUNTY

Proposals Due: January 31, 1989 at 2:00 P.M.

Proposal No. B62-928-3298

Sealed proposals will be received by the Director of Purchasing, 2505 S.E. 11th Ave., Portland, OR 97202 for:

Nuisance Abatement

as per specifications on file with the Purchasing Director. No proposal will be received or considered unless the proposal contains a statement by the bidder as part of his bid that the requirements of ORS 279.350 shall be included. Multnomah County reserves the right to reject any or all proposals.

Specifications may be obtained at: Multnomah County Purchasing Section

2505 S.E. 11th Avenue

Portland, OR 97202

(503) 248-5111

Lillie M. Walker, Director
Purchasing Section

PUBLISH: January 19, 1989

AD2:PURCH2

REQUEST FOR PLACEMENT ON THE AGENDA

Subject: Briefing on Assessment & Taxation

Informal Only* Jan. 17, 1989
(Date)

Formal Only _____
(Date)

DEPARTMENT DGS DIVISION Director's Office

CONTACT Linda Alexander TELEPHONE 248-3303

*NAME(S) OF PERSON MAKING PRESENTATION TO BOARD Linda Alexander

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Briefing on the Assessment and Taxation Division issues.

Time Certain 1:30

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA 30 minutes

IMPACT:

PERSONNEL

FISCAL/BUDGETARY

-General Fund

Other _____

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: Linda D. Alexander

BUDGET / PERSONNEL 1

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

OTHER _____
(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.

BOARD OF
COUNTY COMMISSIONERS
1989 JAN 10 PM 4:28
HULLINOMAN COUNTY
OREGON



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
GLADYS McCOY, CHAIR
PAULINE ANDERSON
POLLY CASTERLINE
GRETCHEN KAFOURY
RICK BAUMAN

DEPARTMENT OF GENERAL SERVICES
PORTLAND BUILDING
1120 SW FIFTH, 14th FLOOR
PORTLAND, OR 97204-1934
(503) 248-3300

OFFICE OF THE DIRECTOR
PLANNING & BUDGET
COUNTY COUNSEL
EMPLOYEE SERVICES
FINANCE
LABOR RELATIONS

(503) 248-3303
(503) 248-3883
(503) 248-3138
(503) 248-5015
(503) 248-3312
(503) 248-5135

DEPARTMENT OF GENERAL SERVICES

Division of Assessment and Taxation

STATUS REPORT

CONDITION OF ASSESSMENT AND TAXATION

JANUARY 1989

BOARD OF
COUNTY COMMISSIONERS
1989 JAN 17 AM 10:27
MULTNOMAH COUNTY
OREGON

T A B L E O F C O N T E N T S

Executive Summary

Background

Appendix A: Table of Organization for the Multnomah County Division of Assessment and Taxation

Appendix B: Oregon Department of Revenue Annual Appraisal Calendar

Appendix C: Excerpts from a Report on Valuation Section of Assessment and Taxation

Appendix D: Other Relevant Materials

Department of General Services
Division of Assessment and Taxation

Status Report
Condition of Assessment and Taxation in Multnomah County
January 1989

EXECUTIVE SUMMARY
(Final)

The purpose of this position paper is to describe the condition of the appraisal and taxation process in Multnomah County and the cost of ensuring that fair and equitable taxation occurs.

CURRENT SITUATION

The condition of the assessment and taxation function in Oregon counties is currently a focus of the Oregon Department of Revenue (DOR). Funding of improvement is being considered at a Statewide level.

Oregon State Statutes and DOR regulations mandate both schedules and methodology for appraisal of property. Included is a requirement that all property be physically appraised at "True Cash Value" every six years. These mandates require both quality and quantity performance from counties in order to be in "full compliance".

It has become increasingly clear that when Multnomah County Assessment and Taxation Division (A & T) complies with one requirement, the other suffers. Historically, the emphasis of A & T has been on quantity -- meet the schedules and the deadlines at any cost. In 1987, the DOR's review of the single family residential appraisal process for 1987 disclosed that the County was in noncompliance with equity and quality standards. The correction of those errors caused an appraisal schedule slip creating an out-of-cycle condition. The organization believes that if equity and quality were being met in all areas and if work were being performed correctly according to mandated approaches, that, with the current level of staffing, it would be even further out of compliance with the six-year reappraisal requirement.

Between 1980-81 and 1983-84, appraiser staffing was reduced by 27 positions and total A & T staffing was reduced by 48 positions. A & T is also working with a computer system which is obsolete, labor-intensive and requires redundant entry of data by several levels of people creating the potential for serious error. The Board of County Commissioners funded the first phase (Requirements Definition) of a new comprehensive computer system in the 1988-89 Budget. It is expected that this new system will be funded, developed and completed. It is not expected that the system will cure the serious shortage of human resources.

The conditions that currently exist in Assessment and Taxation are:

1. The Residential Appraisal Schedule is currently one year out of cycle.
2. There is inadequate staff to perform the volume of work that must be done.
3. Efficiency and effectiveness measures such as an "as needed" physical appraisal program cannot be initiated until all areas are in substantial compliance.

The Department of Revenue has concentrated its review of the County's appraisal work on Single Family Residential. While the procedures currently meet their minimum standards, there are many areas of the Appraisal Section including other areas of residential which, because of shortcuts or not doing the work at all are very vulnerable to compliance examinations. The background information which is attached will describe the inability of Assessment and Taxation to perform statutorily mandated functions.

It is the belief of the Director of the Department of General Services, the A & T Director and the professional staff at A & T that the condition described in 1 and 2 and described in detail in the Background section of this report are symptoms related to the physical and statistical impossibility of the current staff handling the current workload and meeting all mandated appraisal requirements.

Staff are not trained or cross-trained adequately, sick leave use is extensive and widespread, stress claims and life-threatening stress-related health problems are occurring.

The following are some of the options that have been identified to remedy the situation. In addition to the technical staff that this report describes, the County Chair, the Department and the Division will be working over the next 3 years to redesign work methods and processes, improve the climate, and strengthen the group in response to the organizational stress that has been placed on it.

OPTIONS

1. **Partial Compliance: A strategy to bring the single family residential appraisal schedule into 6-year cycle compliance by May 1992.**
 - Accelerate appraisal by appraising one additional district over a three-year period in order to complete the appraisal of four districts over a three-year period rather than over a four-year period.
 - Continue organizational development work
 - Cost of training and workshops will be addressed in the budget process

- **Approximate cost**
 - **Ongoing - approximately \$210,633 a year in the A & T budget (Attachment 3).**
 - **One-time-only costs \$883,400 (Attachment 5).**
2. **Full Compliance: Bring about sustained change to provide equity of assessment and comply with all DOR requirements by 1993.** (Refer to the Background section of this document for the details on this option.)

Residential Property Appraisal

- Improve farm and multi-family appraisal.
- Improve representation at the Board of Equalization to defend appraisals.

Personal Property Appraisal

- Discover and add nonreported or omitted property to the tax roll.
- Perform field inspections and audits to assure proper evaluation of property.
- Perform defense of taxpayer appeals, assessor valuation appeals, Board of Equalization appeals and Department of Revenue appeals, thus defending against reductions that occur after the rates are set.

Commercial Property Appraisal

- Improve sales study and sales confirmation information.
- Implement appraisal methodology to comply with the Department of Revenue methodology.
- Improve work on partially-completed buildings and permits.
- Perform in-depth work for assessor valuation appeals.
- Provide support for appeals to the Board of Equalization.

Approximate Annual Cost

- **Additional annual cost (ongoing) is \$408,859.**
- **Requires the one-time-only cost for new system and equipment upgrades \$883,400. (Attachment 5)**

Total cost for partial and full compliance options: \$619,492 ongoing (Attachment 4) plus one-time-only \$883,400 (Attachment 5).

3. Change Appraisal Methodology (after full correction is complete)

- Implement "as needed" appraisal approach.
- Begin for the appraisal year 1992-93, for the May 1, 1993 tax roll.
- Approximate cost
 - The cost would be evaluated during the period of correction May 1, 1989 and May 1, 1993, so that downsizing the added staff by attrition (if justified) can be accomplished.

4. Other Actions

- Provide staffing for system support and critical upgrades or changes through improvements made in the new system which will release staff for reassignment.
- Staffing needs of the Records Management and the Tax Collection sections of A & T will be assessed as part of the ongoing organizational development work.

The Background section of this report contains a more detailed description of each of the appraisal areas referenced in this summary. It should be noted, however, that a complete analysis of all the specific technical areas is an ongoing process.

If there are questions about any of the information contained in this report, contact Linda Alexander, Director of the Department of General Services, Multnomah County, 248-3303.

4686F/LA/lid

Attachments

Attachment 1

STAFFING LEVELS

		<u>Current Level</u>	<u>Partial Compliance</u>	<u>Full Compliance</u>
Commercial & Industrial				
Appraisers	Commercial	10	No change	14
	Industrial	3	No change	3
Supervisors		3	No change	4
Personal Property				
Appraisers		3	No change	5
Technicians		2	No change	3*
Auditor		1	No change	1
Supervisor		1	No change	1
Residential				
Appraisers	Residential	14	17	20
	Multi-Family	2	No change	3
Supervisors		2	3	3
Sales Ratio				
Data Analyst		1	2	2
Total FTE's		42	47	59

*Increase is result of reclassification and transfer into Appraisal of existing position

Attachment 2

**SUMMARY OF ESTIMATED COSTS
OF PARTIAL AND FULL COMPLIANCE OPTIONS**

Partial Compliance Option -- Ongoing costs (Attachment 3)	\$ 210,633
Both Options -- One-time-only costs (Attachment 5)	\$ 833,400
Add'l costs for Full Compliance Option -- Ongoing costs	\$ 408,859
Total ongoing costs for Full Compliance (Attachment 4)	\$ 619,492
Total costs	\$1,452,882

ESTIMATED ONGOING COST OF PARTIAL COMPLIANCE OPTION

ONGOING COSTS

3 Additional Appraisers - 3 @ \$33,012	\$ 99,036
1 Additional Appraiser Supervisor	40,429
1 Additional Data Analyst (Admin. Spec. I)	35,868
(NOTE: Assumes First Step in Salary Range; includes benefits)	
Estimated Mileage Cost - 5 @ \$960	4,800
Misc. Costs (desk, chairs, etc.)	4,500
Estimated Training cost - 5 @ \$1,200	6,000
Existing Staff Training	<u>20,000</u>
Total	\$ 210,633

ESTIMATED ONGOING COST OF FULL COMPLIANCE OPTION

Estimated cost of proposed staff changes with return to cycle and proposed long-term improvements to assure equity in the appraisal process:

ONGOING COSTS

13 Additional Appraisers - 13 @ \$33,012 (4 Commercial, 2 Personal Property, 6 Residential, 1 Multi-Family)	\$ 429,156
2 Additional Supervisors - 2 @ \$40,429 (1 Industrial, 1 Residential)	80,858
1 Additional Data Analyst (Admin. Specialist 1)	35,868
1 Appraisal Tech (upgrade from OA 3, reclass only) (NOTE: First Step in Salary Range; includes benefits)	1,450
Estimated Mileage Cost - 16 @ \$960	15,360
Misc. Cost (Desks, Chairs, Calculators, Supplies) 16 x 900 = \$14,400 + 2 Additional Terminals @ \$1,000 ea.	16,400
Estimated Training Cost - 17 @ \$1,200	20,400
Existing Staff Training	<u>20,000</u>
Total	\$ 619,492

(NOTE: Plus One Time Only Costs -- Attachment 5)

Attachment 5

ONE-TIME-ONLY COSTS

New System Completion	550,000
Tax Remittance Processing Equipment Upgrade	250,000
Replacement of Obsolete Equipment	<u>83,400</u>
Total	\$ 883,400

4686F

BACKGROUND

I. INTRODUCTION

A. State Requirements

The appraisal of real and personal property provides the basis for the levying of property taxes to operate schools, local governments, fire districts and other service districts. According to the Oregon Department of Revenue (DOR), the property tax is the state's largest source of tax revenue. Accordingly, the State, through the Legislature and the Department of Revenue, prescribes most of the methodology and schedules for the appraisal process to insure uniformity and equity on a statewide basis.

Oregon Statutes require that all property be appraised at true cash value, defined as "the market value of the property as of the assessment date. True cash value in all cases shall be determined by methods and procedures in accordance with rules adopted by the Department of Revenue..." (ORS 308.205). In order to maintain true cash value, DOR requires that property be physically reappraised every six years and prescribes a methodology to ensure "equality and uniformity in assessed values between properties that are physically appraised and those that are not physically appraised" (ORS 308.233).

Multnomah County has organized into six appraisal districts in order to accomplish the cycle requirements.

The Department of Revenue has authority under statute to set standards for how the appraisal process should be conducted and to review compliance with these standards. If DOR finds that these standards are not being adhered to, it must so notify the Board of County Commissioners and make recommendations about how to cure the deficiencies. If a subsequent review reveals that recommendations are not being followed and appraisals are not being conducted as required by law, DOR is authorized to take action to correct the problem and bill the County the costs.

B. Multnomah County

Multnomah County's Division of Assessment & Taxation (A & T) has undergone significant reductions in staff and changes in how it functions during the past decade. In 1979, a new computer was installed in the Division with the anticipated capability of supporting computer-assisted appraisal. This was seen as an opportunity to reinforce an organization already experiencing a decrease in staff and to enable the Division to reduce staff even further.

Unfortunately, economic recession and a decrease in federal revenue sharing funds during the early 1980's forced additional staff reductions which prevented the computer-assisted appraisal from being fully implemented and maintained.

Since 1973-74, Multnomah County has cut 44 positions -- 40% -- in the valuation (i.e., appraisal) section of this Division. Most of this decrease occurred between 1980 and 1984.

It is clear that there are many areas in the Appraisal Section of the Division where the methodology being used and the quality of the implementation are not acceptable and cannot guarantee equity and uniformity of taxation nor compliance with the requirement for true cash value. These are primarily the result of a lack of resources -- staffing, computer systems and equipment.

II. RESIDENTIAL APPRAISAL

A. General Overview

The Residential Appraisal Section is responsible for placing value on more than 195,000 accounts valued at close to \$10.76 billion. These include single and multi-family dwellings, farm and forest properties and some mobile homes.

The 1983 Legislature created ORS 308.027, which provided for use of computerized valuation methods and required the Department of Revenue (DOR) to adopt standards and review the County's use to ensure compliance. The standards adopted by the Department of Revenue -- the market-related cost approach -- is different from the approach which had been used by the County since the conception of its computer-assisted appraisal program in 1979. (For a detailed explanation see Appendix C -- excerpts from a report by C.R. Sheffield, former County Assessor.) This change in methodology increased the demands on A & T and, combined with shortage of valuation staff, made a failure to comply with DOR requirements almost inevitable.

B. Single Family Residential -- 1987 Noncompliance

In 1987, for the first time in recent history, Multnomah County went out of compliance with the ORS requirement to physically reappraise property every six years. That year, A & T in accordance with long-standing Division policy, had completed all the work necessary to prepare the assessment roll for the May 1 deadline.

However, the Department of Revenue refused to approve A & T's work and informed the Division that the County's computer-assisted appraisals of single family residences in Appraisal District 3 did not meet statutory requirements. DOR's April 27, 1987 letter said in part:

- "1. Nonuniform classification and limited physical inspection of improvements by your appraisal staff are resulting in inequitable value estimates.
2. Current appraisal procedures are creating large value disparities between similar properties.
3. Value estimates your staff are currently making may contain a number of property data errors as outlined in the attached report."

This was not the first time that DOR had expressed some concern over the market-data methodology used by the County. Previously however, the County had implemented some changes and had agreed to review the appraisals and correct the obvious problems.

In 1987 however, DOR felt that it was necessary to implement their methodology and to review Appraisal District 3 using the DOR approach. The effect of this action was that residential property in Appraisal District 4, scheduled for reappraisal in 1988, was delayed by one year in order to conduct the review of District 3. This series of events caused the County to go out of compliance with the six-year cycle requirement.

The 1987 DOR approval of the County's appraisal procedures was contingent on appraisers making more thorough property inspections, enhancement to the computerized appraisal file, better documentation of sale studies and other support material and more thorough field review by the appraisal supervisors. All of these "quality enhancements" to the methodology impacted productivity by slowing the appraisal process.

Some offsetting productivity improvements have been made (putting the residential characteristics and sales data on-line) and others will be identified as a result of a new computer systems study funded by the Board of County Commissioners in 1988-89. However, to continue to meet schedules and comply with DOR requirements, the Residential Appraisal Section has diverted appraisers from other duties jeopardizing the quality of work in those areas.

C. Farm and Forest Land Appraisal

In addition to single family residences, the Residential Appraisal Section has responsibility for appraising farm and forest properties, condominiums, some mobile homes and multi-family units. There is one farm appraiser who has the responsibility for valuing all farm and forest properties, processing all applications for farm and forest land deferral, and valuing properties for calculation of additional taxes which result from cancellation of deferral.

In addition to these duties, the DOR-directed reappraisal of District 3 has required this single appraiser to spend half-time appraising single family properties. This situation has not caused a compliance problem in farm appraisals because the reappraisal of District 3 did not require a reappraisal of farm property and District 4 and District 5 contain few farm and forest properties. As we get in District 6, 1 and 2, however, the number of farm and forest properties will require more than one full-time appraiser.

D. Multi-Family Residences

Currently, there is one appraiser assigned to the appraisal of multi-family properties. This appraiser has the responsibility for the appraisal of from 1,500 to 2,000 multi-family properties each year in addition to defending valuation appeals at the Department of Revenue and State Tax Court hearings.

This staffing results in rather superficial appraisals. It does not allow representation at Board of Equalization hearings. It also prevents the appraiser from gaining enough experience and proficiency to adequately defend the County's position in hearings when facing sophisticated investment property owners and their lawyers and appraisers.

An additional multi-family appraiser is necessary to insure equitable valuation in this area. In addition, adequate ongoing training and development are critical.

E. Field Review

Field review involves the supervisor reviewing appraiser's work to insure that appraisers are properly classifying and recording appraisal data (for example: construction quality class, additions to structures, topography, etc.).

Field review by appraisal supervisors is an important element ensuring consistency among appraisers, which is critical for equitable evaluation. The current ratio of one supervisor to eight appraisers is not sufficient to enable the supervisors to devote the time they should to field reviews as well as the ongoing administrative responsibility for supervising appraisers.

F. Summary

To get back in cycle in less than five years is desirable, since it would put the appraisal of single family properties into synchronization with the appraisal of all other properties. This will require more appraisers. Approximately twelve appraisers working strictly on district reappraisal for seven to eight months are necessary to complete the appraisal of one district each year. In order to get back into cycle by May 1, 1992, three appraisers for a period of three years and an additional supervisor would be needed.

To assure ongoing equity of assessment will require four additional staff: two more single-family appraisers, an additional farm appraiser, and an additional multi-family appraiser.

Equitable appraisal requires that staff be adequately trained in standards and methodologies. Additional training money is required.

III. COMMERCIAL AND INDUSTRIAL APPRAISAL

A. General Overview

The Commercial and Industrial Appraisal Section is responsible for the appraisal of approximately 23,000 accounts with an approximate aggregate value of \$5.6 billion in assessable, taxable property in 1988, and approximately \$2 billion in nontaxable or exempt property. With an appraisal staff of sixteen including supervisors, the staff cannot do a quality job in any aspect of their responsibilities. (Appraisal of industrial properties -- specifically wood, food processing chemical and metal -- valued at more than \$5 million is done by DOR and 1-2 major industrial accounts per year are done by DOR for the County under a cost-sharing agreement.)

B. Methodology

DOR requires A & T to consider a three-pronged approach to valuing commercial and industrial property: a market (sales) approach, a cost approach (the cost of constructing the property less depreciation) and an income approach (what income and return on investment a property will give an investor). Because of the time involved and because of some questions about the utility of the three-pronged approach, A & T has chosen to use primarily the income approach to value commercial property. This is in part because of its efficiency and in part because the State Tax Court generally supports this methodology in its decisions. Most principal industrial accounts are

appraised using the cost approach. If the Commercial and Industrial Section were subjected to the same kind of DOR scrutiny that the Residential Section has received, it is likely that DOR would find A & T to be out of compliance.

Even by using this less time-consuming approach, the Commercial and Industrial Section still doesn't spend enough time on each appraisal. The result is that the appraisal quality suffers and the number of appeals with large reductions increases. When a reduction is ordered as a result of an appeal handled at the DOR level, the resulting refund can severely reduce the amount of money available to disburse to levying bodies and severely impact their overall budgets.

Much more time should be spent on the whole appraisal process, from estimating the correct rent, vacancy, expenses, etc., to finding the appropriate capitalization rates. Because Commercial and Industrial rushes through much of its work, they use many "averages," "approximations," and make generic decisions instead of very specific decisions for individual appraisals. The quality of the work can be observed by looking at the number of appeals with stipulations; that is, appeals of value where the County agrees that its appraisal was wrong and the appellant's value is correct. In 1987, approximately 75% of the commercial/industrial appeals that went to DOR were stipulations.

C. Partials and Permits

Minimal time is spent tracking partials (unfinished new buildings and remodeling on existing buildings) and building permits. Presently, a supervisor reviews the thousands of commercial and industrial building permits the County receives each year and decides which are most worthy of investigation by the limited staff available. This decision is made based on the dollar value (i.e., likely impact on appraised value) of the change. The threshold for investigating these permits is presently fairly high (more than ten percent change in value) and no attempt is made to aggregate small project permits received throughout the year to see whether the combined change in value meets this threshold. With more staff attention, better analysis of aggregate impact and a lower threshold for investigating would be possible.

D. Divisions

When property is divided, its value changes and reappraisal is necessary. Because of staff backlogs, important physical appraisals of the new properties frequently are not done. In addition, delays in reviewing and processing these divisions resulted in 120 late tax bills in 1988.

E. Training and Supervision

The supervisors are overloaded and consequently can spend little time training. Supervisors' time is consumed by sales confirmation, major organization leases (example: Port of Portland), etc. This leaves very little time for coaching appraisers and/or for conducting group reviews. Group reviews are conducted in commercial and industrial to review properties and establish standards for valuing property. Group reviews are very important to assure that all of the appraisers are using the same standards when appraising properties.

F. Summary

An additional staff of four additional appraisers and one additional supervisor will ensure production and ongoing equity of valuation.

IV. PERSONAL PROPERTY APPRAISAL

A. General Overview

Taxable personal properties are fixtures and equipment normally found in businesses (that is, furniture, equipment, machinery, tools, etc.)

The Personal Property Section has slightly over 48,000 active accounts (currently approximately 6% of the tax roll) valued at over \$1 billion. Of that number, approximately 27,000 accounts are actually assessed and taxed each year. While most of the remaining accounts do not need to file (such as vacant business locations, insufficient value accounts, governmental accounts and multiple entry locations), a shortage of staff in this area may be preventing Multnomah County from discovering and pursuing close to one percent of the potential tax roll.

B. Establishing the Assessment Roll

Not all "timely filed" accounts are processed onto the roll prior to May 1 because of staff limitations. This requires the staff to add accounts to the assessment roll by means of a blanket petition to the Board of Equalization (BOE). The appraisal staff must request the Board of Equalization to correct a list of errors identified by A & T staff after May 1. Only the Board of Equalization can alter the roll after May 1.

Additions to the tax roll after the BOE returns the roll are strictly controlled by state statute and involve formal letters of intention to tax the property, defines an appeal and hearing process and requires certified letters informing the property owner of the additional taxes.

C. Tracking Personal Property

Because personal property is very mobile, and there are few restrictions or requirements for sale or transport, tracking ownership and/or location has always been very difficult. In the past, the large Personal Property staff allowed A & T to spend a higher percentage of time in the field contacting taxpayers and keeping track of changes. Current staffing levels allow little field verification and instead rely on reverse directories, telephone company hookup lists and other publications. Confirmation of mobile home sales is inadequate and sales of house boats have been only sporadically processed.

D. Summary

The addition of two experienced personal property appraisers would allow the supervisor to delegate more of the day-to-day work on appeals and other valuation problems. This would allow the supervisor more time to develop assessment system and procedure changes that would enable more accurate, timely and cost-effective operation of the section. Development of systems to increase electronic processing of the vast amounts of data reviewed each year is imperative.

IV. DATA QUALITY

Characteristics records relating to properties have not been audited consistently over the years to ensure complete and accurate reflection of the property on the computer file. Audit programs have not been written or implemented to identify correctable errors in the computer data. A concentrated effort is needed to clean up many errors relating to property size, addresses, ratio codes, zoning data, building data, etc.

Another area of concern relates to the quality of the data on the sales file. The sales file is the cornerstone, if not the entire foundation, of much of the appraisal process, especially with respect to the annual trending of the five districts which are not being physically appraised.

The Commercial Section has continued to confirm almost all of the commercial sales and has maintained acceptable data quality. The confirmation work being done on the majority of the residential and apartment sales is cursory and minimally meets state standards.

Confirmation of mobile home sales is inadequate and sales of houseboats have been only sporadically processed.

While data relating to the mid-County sewer project and flood plain areas have been compiled, staffing has not been sufficient to perform the proper value studies of these areas.

VI. PROPERTY VALUE APPEALS

A. Overview

Property values can be appealed by property owners at five ascending levels during prescribed periods of time: to the Assessor, the Board of Equalization, the Department of Revenue, the State Tax Court and the Supreme Court. In 1988, 4,572 appeals were filed with the Board of Equalization (BOE); by the end of the 1988 session, the BOE had reduced the value of the roll by more than \$66 million. Property owners dissatisfied with the BOE decision can appeal to DOR. Presently, there are 168 active commercial and industrial property appeals (valued at \$185 million) and 653 residential appeals (valued at close to \$70 million) awaiting Department of Revenue review. From there, if property owners are still dissatisfied, they can appeal to the Tax Court. At the present time, seven commercial/industrial accounts (valued at \$368,000) and 2 residential accounts (valued at \$58,100) are awaiting Tax Court action. The final level of appeal is the State Supreme Court.

B. Assessor Valuation Appeal

The appraisers are unable to complete investigation and resolution of assessor valuation appeal (AVA's) filed by property owners who question the value placed on their property by A & T. Adjustments of valid valuation problems at this level of inquiry is an efficient method of correcting errors and providing public service. Because A & T cannot investigate and attempt to resolve these appeals by a May 1 deadline, property owners must pursue their appeals through the Board of Equalization process. In these cases, the Board of Equalization must act as an arbitrator in cases where both the appellant and A & T may well agree that the assessed value was incorrect. This unnecessary increase to the workload of the Board of Equalization possibly degrades the quality of their deliberations by reducing the time available for resolving truly contested disputes.

C. Board of Equalization

A & T currently provides little service to the BOE. Accounts are being reduced in many cases more than they should be. In 1988 the Board of Equalization reviewed 4,572 appeals. It decreased the County's valuation in 3,147 or 69% of the appeals heard. In some of these situations, if A & T had the staffing capability, an appraiser could appear before the Board of Equalization and support the County's valuation. This is particularly important for the larger commercial accounts, which are

more complex and have a greater dollar impact on the tax roll than do individual residences. After a few years of success, there might be a reduction in blatantly inappropriate appeals.

Currently, after the Board has made decisions, A & T staff scan the results. However, A & T should be checking each decision and appealing to the DOR all of those that do not seem justified, not just the occasional one that is "way out of line." A & T's lack of staff does not allow the time to do this.

D. DOR/Courts

A & T is unable to devote as much time as it should to defending its values through the DOR and Tax Court appeal process. In 1988, approximately 416 staff days were spent by A & T's commercial/industrial appraisers on DOR and Tax Court appeals. Estimates are that 30 percent more staff days were needed. In addition, A & T should have adequate resources to hire outside experts if the appeal requires it.

E. Summary

To cut down on the number of appeals, it is necessary to increase appraisal staff to levels sufficient to comply with DOR standards and methodology. This should guarantee equity in valuation. Those levels are discussed above in Section II. - Residential Appraisal, Section III. - Personal Property, and Section IV. - Commercial and Industrial Property. Improved staffing levels would also make it possible to handle more appeals as they come to the Assessor and deal with them before they progress to the other appeal bodies.

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APPENDIX A

Table of Organization

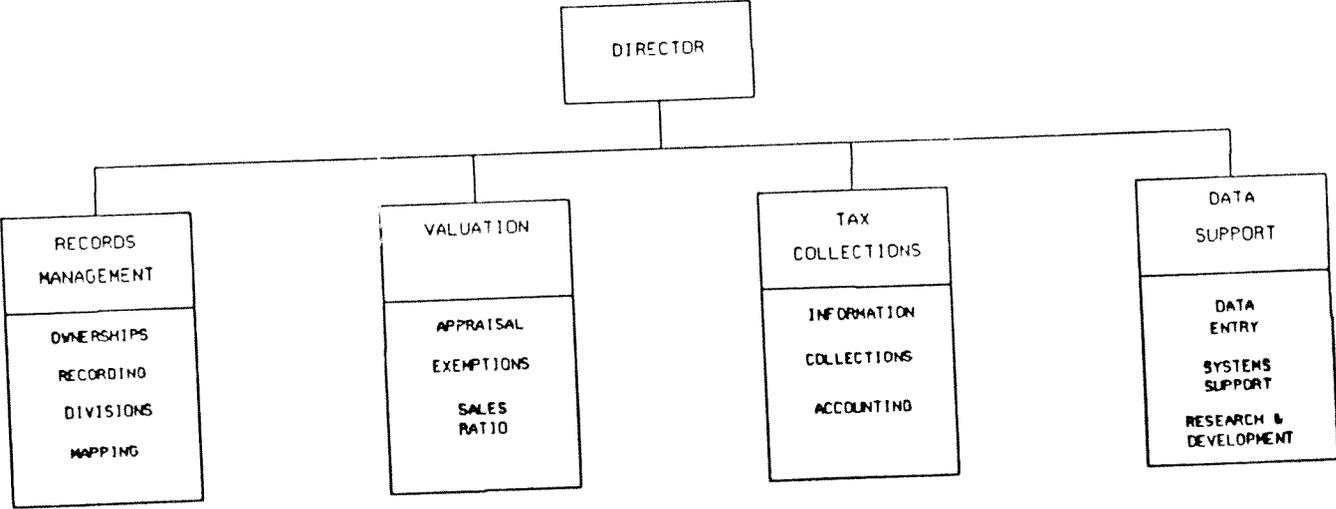
for the

Multnomah County Division of Assessment and Taxation

BOARD OF COUNTY COMMISSIONERS

DEPARTMENT OF
GENERAL SERVICES

DIVISION OF
ASSESSMENT & TAXATION



APPENDIX B

Oregon Department of Revenue

Annual Appraisal Calendar

APPRAISAL CALENDAR

<u>DATE</u>	<u>EVENT</u>	<u>ORS CITATION</u>
<u>July</u>	1 Initial application date on property destroyed or damaged by fire or act of God	308.425
	1 Lien date for real property taxes	311.405
<u>August</u>	1 Last day for owners of farm or forest land special assessment disqualification to file for another special farm or forest land assessment	311.410
<u>September</u>	1 Assessor begins collection of sales data for ensuing year's preliminary sales ratio study	309.040(2)
	1 Process orders issued by Board of Equalization	309.040
<u>November</u>	7 (1st Monday): Assessor files preliminary ratio study with board of equalization and certified copy with Department of Revenue	309.200
<u>December</u>	30 Owner's last day to apply for open space land assessment for next calendar year	308.750
	31 Assessor mails personal property returns	308.290
	31 Assessor mails industrial property returns	308.290
<u>January</u>	1 Assessment date, real property	308.210
	1 Assessment date, personal property	308.250
	15 Assessor requests assistance from Department of Revenue for appraisal of industrial properties	OAR 150-306.126(1)
	15 Mail veteran exemption applications to prior year applicants	
<u>March</u>	1 Assessor sends income questionnaire to owners of unzoned farmland	OAR 150-308.372(1)
	3 Owner files real and personal property returns with county assessor who may extend time upon written request for good cause	308.290
<u>April</u>	1 Owner files pollution exemption statement with assessor for first year (see ORS 307.420 for exception)	307.420
	1 Corporation files for exemption on nonprofit corporations which provide permanent housing and care for elderly	307.242(2)
	1 Lessees file for exemption of property they hold under lease or lease purchase agreement from certain exempt organizations	307.112(3)
	1 Owner files for exemption of radiation fallout shelters	307.169(6)
	1 Owner files for cancellation of assessment for commercial facilities under construction	307.340
	1 Owner files for special assessment of unzoned farm lands	308.375
	1 Owner files for exemption of literary, benevolent, charitable, and scientific, institution; fraternal and religious organization; burial ground; public library; training trust; sheltered workshop; or for volunteer fire department	307.162
	1 Owner files for exemption on natural heritage conservation	Ch. 786, Sec. 10 1983 Session

APPRAISAL CALENDAR

<u>DATE</u>	<u>EVENT</u>	<u>ORS CITATION</u>
	1 Owner files for special assessment on designated forest land	321.358
	1 Owner files for exemption on nonprofit day care centers used in conjunction with nonprofit farm labor camps	307.495
	1 Corporation files for exemption on nonprofit student housing	307.450
	1 Owner files for Western Oregon Small Tract Optional Tax	321.730
	1 Corporation files for exemption on nonprofit park or recreational facility.	307.115(4)
	1 County governing body notifies assessor of approval or disapproval of application for open space land assessment	308.760
10	Assessor sends written notice to veteran (or surviving spouse) who did not refile for exemption	307.260
15	Owner of land assessed as unzoned farmland notifies assessor if gross income from farm use was insufficient	308.372(1)
15	Owner of land assessed as unzoned farmland files for farm use assessment of land under farm use dwellings and wasteland	308.372(4)
15	Owner of land assessed as unzoned farmland returns income questionnaire to assessor	OAR 150-308.372(1)
16	Assessor certifies final ratio study to county clerk	309.205
16	Assessor files certified copy of final ratio study with Department of Revenue	309.205

May

1	Last day for prior year veteran exemption with late fee	
1	Assessor's last day to change values on assessment roll	308.242
1	Department of Revenue examines assessors' ratio studies. Assessor notifies taxpayers affected by Department of Revenue director's ratio order within 10 days of assessor's receipt of order	309.035
4	Assessor mails notice of penalty for late filing of personal or real property return	308.295
4 (1st Monday)	Assessor mails notice of increased values on real and personal property	308.280

June

30	Assessor disqualifies and corrects assessment roll from farm use special assessment	OAR 150-308.390 OAR 150-308.399
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ONGOING JULY THROUGH JUNE

To respond in timely manner to appeals filed with the Board of Equalization, Department of Revenue and State Tax Court.	ORS 305.275 - 305.280 ORS 305.405 - 305.485
Add omitted property to current and preceding five years tax rolls as it is discovered.	ORS 308.280
Provide statements of assessed values on demand.	ORS 308.282
Correct errors and omissions to current and prior five years as they become evident. ORS 307.340, ORS 307.430, ORS 308.396, ORS 311.150, ORS 311.160, ORS 311.205	
File appeals as necessary from orders of the Board of Equalization and/or Department of Revenue.	ORS 308.115

APPENDIX C

Excerpts from a

Report on Valuation Section

Multnomah County Division of Assessment and Taxation

by C.R. Sheffield, Multnomah County Assessor

December 1987

REPORT ON
VALUATION SECTION
MULTNOMAH COUNTY DIVISION OF
ASSESSMENT AND TAXATION

C. R. Sheffield
December, 1967

I. INTRODUCTION

This report will discuss the Valuation Section of the Division of Assessment and Taxation in general but will concentrate on the Residential Subsection and the particular needs to enable it to comply with state law and the requirements of the Oregon Department of Revenue.

Several statutes will be mentioned. These statutes provide the Department of Revenue's supervisory authority and the action to be taken if appraisals are not made according to statute. They include the "True Cash Value" statute which says that appraisals shall be at market value and the statute which requires reappraisal every six years. ORS 308.027, which requires the Department to adopt and enforce standards for computer assisted appraisals will be mentioned.

Section III discusses the history of the Assessor's Office since World War II, including the fact that the Multnomah County Office has been, until recently, rather isolated from the procedures the state has established for other counties. Computerization and progress in developing computer assisted valuation is mentioned. Policy regarding compliance with the six year reappraisal cycle and the Department's rejection of single family dwelling appraisals in District 3 is considered.

Section IV will discuss Valuation Section appraisal staff history, appraiser appointments and appraiser work assignments. Staff requirements in the Residential Subsection are discussed. Staffing is compared with the larger counties in both Oregon and Washington. Two plans will be presented to return single family appraisals to statutory compliance. Realignment of appraisal district boundaries and maintenance of better production records is recommended.

The organization of the Valuation section and its relationship with other assessment related sections will be discussed in Section V. The subject of a designated Assessor other than the Division Director will be considered as well as the legal eligibility requirements for the Assessor's position. Two proposed organization plans will be presented.

The report concludes with several recommendations for the improvement of the personnel situation, the organizational arrangement and the appraisal cycle.

II Legislation

The operations of all of Oregon's County Assessor's offices are governed by over 400 pages of statutes, over 100 pages of administrative rules, hundreds of court cases and more hundreds of Department of Revenue opinions and orders. Among the more significant statutes are the ones which provide for the supervisory authority of the Department of Revenue, which define True Cash Value, which establish the six year appraisal cycle and in the case of Multnomah County, which provides for computer assisted appraisals.

An important part of the Department's supervisory authority is spelled out in ORS 306.115 which in section (1) reads as follows:

"(1)The Department of Revenue shall exercise general supervision and control over the system of property taxation throughout the state. The department may do any act or give any order to any public officer or employee that the department deems necessary in the administration of the property tax laws so that all properties are taxed or are exempted from taxation according to the statutes and Constitutions of the State of Oregon and of the United States. Among other acts or orders deemed necessary by the department in exercising its supervisory powers, the department may order the correction of clerical errors, errors in valuation or the correction of any other kind of error or omission in an assessment or tax roll as provided under subsections (2) to (4) of this section."

Property must be valued at "True Cash Value." True Cash Value is defined in ORS 308.205 as follows:

"True cash value of all property, real and personal, means the market value of the property as of the assessment date. True cash value in all cases shall be determined by methods and procedures in accordance with rules adopted by the Department of Revenue....."

ORS 308.234 states that "....Each parcel of real property shall be appraised at least once every six years to insure that equality of taxation according to law shall be secured."

ORS 308.061 provides for the action to be taken by the Department of Revenue when appraisals are not conducted as required by law. Subsection (1) states that if the appraisals are not made as required in ORS 308.234, the Department shall notify the county court or board by February of each year. Subsection (2) provides that if the deficiencies are not corrected, the Department may take whatever means are necessary to cure them at the expense of the county. Subsection (3) reads as follows:

(3) In the event that the department must perform services within or for a county pursuant to subsection (2) of this section, the costs shall be advanced from its Assessment and Taxation County Account, described in ORS 306.125, and that account shall be reimbursed from the county's share of the state's cigarette tax and liquor revenues, unless other provision is made by action of the county court or board. Reimbursement of the Assessment and Taxation County Account shall be made from time to time upon the order of the Secretary of State to the State Treasurer, based upon the Department of Revenue's certified, itemized statement of such costs to the Secretary of State....."

Computer assisted appraisal is provided for in ORS 308.027. This statute requires the Department of Revenue to adopt standards for the use of computers as an appraisal tool and to review the county's use to assure compliance. This statute was passed by the 1983 session. There was some question whether any computerized appraisals were allowable prior to that time. Supposedly, this statute would enable counties to use computers in such a way that they would not be so heavily influenced by the six year appraisal requirement.

While there are many other statutes that control the handling of individual properties, exemptions, assessment roll procedures, mapping procedures and ownership records; the statutes mentioned above play a large part in determining the personnel level which is required to accomplish the valuation section's mission of meeting its mandated functions as well as meeting Multnomah County's mission. If the Department of Revenue finds that the Division of Assessment & Taxation is not in compliance, it can take steps to correct the situation which could detract considerably from the credibility of Multnomah County government.

III HISTORY AND PRESENT STATUS

Since World War II and especially since the early 1950s there have been massive changes in Oregon's property tax laws. In turn, these changes have created massive changes in the way things are done in Assessor's offices throughout the state. At one time the state had very little control over these operations. Many levies were based on a millage rate with the result that a district's income would be based on the assessed value in that district. Each county used its own ratio of assessed value to market value. Since there were no really strong controls over the accuracy of these ratios, there was always a suspicion that individual counties manipulated them to gain advantages from the distribution of public utility values by the Department of Revenue (then known as the State Tax Commission). Faulty ratios and inaccurate values could also affect the equity of the tax load carried by taxpayers in levy districts which overlapped county lines.

Appraisal procedures were extremely primitive and did not conform to any of the standard methods which were being developed and improved in the private sector. In Multnomah County, emphasis was placed on the cost approach but any correlation with market value was almost incidental. The Assessor's office had a land department and a building department. Unfortunately, they rarely communicated. In fact, the land was usually appraised in a different year than the buildings. Very little reappraisal was done. Literally weeks could be spent making a detailed cost estimate of a large building and maybe only minutes would be spent in determining the final value by taking depreciation from a table which used 1.5% per year for masonry buildings and 2% per year for wood buildings. Functional inutility or economic obsolescence was not considered.

In the early 1950s the legislature passed several laws designed to provide better equalization of the property tax load. The previously mentioned ORS 308.234 required appraisals on a six year cycle and ORS 306.125 provided for a statewide reappraisal and mapping project in which the state would provide these services on a cost sharing basis. The state was forced to hire and train a rather large number of appraisers to handle this assignment and many of these people went to work for the various counties after the original reappraisal was completed.

Multnomah County did not sign contracts with the state but attempted to do all of its own reappraisal and mapping work. As a result, procedures in Multnomah County were often different than those of the rest of the state. On several occasions the state ordered changes on all values to conform to their ratio studies. Relations with the State Tax Commission were strained and often acrimonious. In 1958 the law provided for a so-called normal conditions factor to be applied to values on the assumption that property was selling at inflated prices that did not reflect true cash value. This factor was 90% and Multnomah County's ratio was 33% of true cash value. The assessor, because of continued disagreement with the state, multiplied all real estate values by three to supposedly place our ratio at 100% of true cash value. This action was roundly criticized but it brought attention to the gross inequities which existed. Massive numbers of appeals were made to the Tax Commission and the office was reorganized into a commercial department and a residential department charged with processing the appeals with standard appraisal approaches to value.

Although Multnomah County never fully went to the use of many of the administrative procedures advocated by the state, this reorganization was probably the start of the development of an office which a decade later was considered one of the most progressive in the United States.

The appraisal staff was enlarged and many appraisers were sent to the annual appraisal short courses put on by the state. Many more appraisers spent their own funds to attend the more advanced courses taught by the professional appraisal organizations.

Assessment rolls were hand written until the County purchased its Univac 418. The first machine printed roll was produced on the "418" for the 1967-68 tax year. While this was without a doubt a great step forward it was of very little benefit in the appraisal area. From the appraiser's viewpoint it made life more complicated because of the value input requirements and the vouchers that complicated any changes that were made outside of the batch process. It did however, provide appraisal cards which were already headed up with legal descriptions, account numbers and owners names. It saved many hours of clerical time which had previously been spent on value increase notices. By 1969 it was providing appraisers with extremely helpful sales listings sorted either by map number or by property type.

During the mid 1960s we began to hear about a rather sophisticated statistical appraisal method known as multiple regression analysis. This method was being developed in several California jurisdictions but it was felt that our "418" did not have the capacity to handle the massive amount of data required. When Multnomah County went to an IBM computer and it became apparent that Assessment and Taxation would eventually convert, a test was undertaken using Lane County's IBM-360. The characteristics of 1200 recently sold single family dwellings were entered. Half of these were set aside as a control group while the others were used to develop regression equations. The equations were then applied to the control group and the resulting values seemed very promising. The system was able to predict selling prices with a degree of accuracy approaching that of the manual system.

Assessment and Taxation was converted to the IBM 370-155 in 1979 and the first roll it produced was for the 1980-81 assessment year. This machine had the capacity to handle regression analysis so a consultant was hired to develop a computerized characteristic record for single family dwellings. This record captured most of the data needed to make appraisals on this type of property and the computer could calculate estimated replacement cost by using tables developed from the Department of Revenue's cost factor books. It did not produce a sketch of the property as normally done on appraisal documents and did not produce a final value. This record, when produced in hard copy is cluttered and difficult to read. Cards with sketches are still maintained manually by the residential valuation subsection. The use of multiple regression analysis requires considerable statistical ability and the availability of time to make repeated trial runs in order to develop meaningful equations. The person assigned to this task was also a programmer and was continually called upon for maintenance of other systems. Most of his work was relative to tax collection problems and record management activities. No further meaningful development of the system was accomplished.

The 1983 session of the legislature passed ORS 308.027, authorizing the use of computers to assist in valuation and requiring the Department of Revenue to adopt standards and review the county's use to assure compliance. The standard which has been adopted is what the Department calls the "market related cost approach." This is basically a computerized application of their long standing manual approach. Although there is a statute that requires the Department to make construction cost studies in the Portland area with which to adjust their published cost factor books for time, the Department still requires us to make additional studies on the theory that costs will vary from neighborhood to neighborhood on identical houses. "Market related" replacement costs are then computed for each house, even those which may be 100 years old and so obsolete that they would never be replaced with structures of similar design and materials.

The state's approach then requires the local appraiser to establish benchmark properties for construction quality class, for depreciation and for final market value comparisons. Data for establishing these benchmarks is abstracted from sales of other properties. Once these benchmarks are established the appraiser establishes depreciation tables by construction class and neighborhood. These tables go into the computer which then calculates replacement cost, applies depreciation and adds the land value. Land value is previously computed, also through use of benchmarks abstracted from sales of vacant lots. The resulting values must then be reviewed to assure that everything worked.

Prior to passage of ORS 308.027, Multnomah County did not seriously attempt to use the benchmark procedure long advocated by the Department. Sales of property in the neighborhood were related directly to the subject property by the appraiser. The computer calculated replacement cost and the appraiser usually came up with a depreciation amount that would fit his or her opinion of value. Depending on the ability of the appraiser, this system seemed to come up with fairly good values and reasonable coefficients of dispersion. It was fast and enabled the county to maintain its six year appraisal cycle while 22 other counties were going out of cycle..

Multnomah County's policy had always been to stay within the legally mandated cycle regardless of a large loss in appraisal personnel. This was done through the implementation of every conceivable shortcut. These shortcuts probably eliminated a considerable amount of redundancy but resulted in appraisal records which were less complete and less accurate. On December 18, 1984, the Department of Revenue notified the Multnomah County Department of Assessment and Taxation that its appraisal program did not meet statutory requirements. However, through a process of reviewing the appraisals that had already been made for the 1985-86 tax year the Department eventually approved them for inclusion in that year's assessment roll.

Attempts were made during 1985, 1986 and the early part of 1987 to more closely conform to the state's procedures. However, it was still county policy to comply with the six year cycle requirement. Faced with the number of appraisals required, the quality again deteriorated. On April 27, 1987, the Department completed another study and the Division was notified that our computer assisted appraisals no longer met statutory requirements. The letter of transmittal said in part:

- "1. Nonuniform classification and limited physical inspection of improvements by your appraisal staff are resulting in inequitable value estimates.
2. Current appraisal procedures are creating large value disparities between similar properties.
3. Value estimates your staff are currently making contain a number of property data errors as outlined in the attached report"

Multnomah County's policy has been to mail announcements to the taxpayers in the area to be appraised, inviting them to call the office if they wanted an inside inspection of the property. Very few called. This expedited the appraisals but certainly did nothing to improve accuracy. The Department has stated that we should completely inspect all properties which are used for benchmarks and try at least once, to gain admittance to all other properties. This should increase the accuracy of the characteristics, the quality classes, the depreciation schedules and should improve the quality of the benchmarks. They also insist on extensive supervisory review of benchmarks and appraisals to assure uniformity between appraisers and neighborhoods. These requests seem reasonable and even desirable, given adequate personnel to carry them out.

While the Division of Assessment and Taxation has long contended that it is using the more acceptable market data approach, the Department feels that our appraisal record does not refer to comparable sales and therefore cannot be used to defend or support the individual values.

The Department's order of April 27, 1987, relative to the reappraisal of Appraisal District 3, came after the 1987-88 values had already been applied to the roll. The intention was that these values would not be used for 1987-88 but since they were already applied, the Department allowed us to leave them on the roll but to review them using the Department's recommended procedures. This action effectively put Multnomah County out of compliance with the six year reappraisal requirement. Since the review procedures are actually more extensive and time consuming than the procedures used for the original appraisals and new procedures have to be learned by the appraisal staff, it is questionable whether the area in question will be completely finished for the 1988-89 year.

In the meantime, development work on the new, more sophisticated systems which have come into use in many other parts of the nation has come to a halt. Since the order came from the Department of Revenue in April 1987, and up to the time of this writing, practically all resources in the residential appraisal section have been devoted to processing appeals, learning the Department's "Cost Related Market Approach," and implementing the approach.

It should be remembered that Multnomah County started developing a computer assisted approach in the mid-70s as a solution to personnel losses which were being experienced. Very little guidance or even interest was shown by the Department of Revenue and ORS 308.027 had not been passed.

Jim Wilcox, at that time assistant to the director of the Division of Assessment and Taxation, submitted a report dated June 1, 1978 regarding the development of computer assisted appraisal systems. It was contemplated at that time that A & T would develop a system which used both the cost approach and a market comparison approach in the form of regression analysis. His application of the cost approach would have had the computer calculate replacement cost based on characteristics previously input while depreciation tables would have been developed directly from the market without the intermediate step of establishing benchmarks. Regression analysis is really a market data approach which statistically abstracts weights from sold properties for the various property characteristics and arrives at an equation which can then be applied by the computer to arrive at the indicated value of other properties in the neighborhood. Since his report was written, another process known as the "adaptive estimation procedure" or "feedback" has been developed. Feedback starts with component values estimated by an appraiser. Sales are then fed into the system one at a time and the original values are altered as additional sales are fed in. Using an iterative process, weights are eventually developed which estimate values for all characteristics. These values can then be computer applied to all other properties.

Since very little progress had been made in further development of these systems, a data analyst was hired in 1985 to perform the ratio study work required by law and to concentrate on further development. The former data analyst was eventually reassigned to ISD as a programmer. The new analyst had to familiarize herself with our systems and then spent considerable time correcting some deficiencies in the computerized sales files. Progress has slowed because of her involvement in the aftermath of the Department of Revenue's order and because it would be redundant to proceed too far until more is known about the proposed update of A & T's entire computerized system.

While one cannot be highly critical of the Department's market related cost approach, it is still felt that further development of regression analysis and feedback might eventually provide more equitable values with no greater and possibly less cost.

Elimination of the necessity of developing numerous benchmarks would provide a prime area of cost reduction. Since the Department of Revenue does not seem ready to take a leadership position in this area, it would seem necessary to develop such systems parallel with the operation of the cost related market approach, test them against that system and if proven superior, to apply the pressure needed to have them accepted by the Department.

No serious attempt has been made to implement computer assisted appraisals for commercial or income types of property. Because of the larger volume of properties in the single family classification, it has been deemed appropriate in almost all computerized jurisdictions to start development in the single family area. When looking at all types of commercial properties, it would seem that the great number of variables and the relatively smaller number of each type of property would make computerization of less immediate importance. However, this is an area that should be studied. Multi-family properties could be converted with relative ease and could be very cost effective. Computerized characteristic files on all commercial properties could be useful for various economic studies and for the ability to sort by size, age, type, etc.

As the recently approved computerized mapping system becomes a reality, computer storage of property characteristics could become valuable to many branches of government as well as private industry. The system's ability to sort geographically would be extremely helpful. For example, a planner, developer or economic analyst could request the number and floor area of certain types of buildings after indicating the geographic boundaries of the area being studied.

IV APPRAISAL PERSONNEL AND COMPLIANCE

Hopefully, this section will be of assistance to the reader in drawing his or her conclusion regarding the adequacy of staffing in the Valuation Section of A & T. It will discuss hiring policies, promotional policies, career paths, and training. Numeric adequacy will be discussed in relation to fulfillment of statutory requirements and county missions.

PROPERTY APPRAISER APPOINTMENTS

Webster's Ninth New Collegiate Dictionary defines a profession as "a calling requiring specialized knowledge and often long and intensive academic preparation" It defines a professional as one who is "characterized by or conforming to the technical or ethical standards of a profession." In reviewing the requirements for ad valorem property appraisers in the State of Oregon it appears they are at least para-professionals while many of them certainly achieve a level that should be considered professional. In order to be employed as an appraiser for tax purposes, they must pass the Certified Appraiser Examination which is administered by the state's Executive Department. In order to be allowed to take the examination they must have a bachelor's degree in certain specified fields, an associate's degree in real estate from a community college or extensive appraisal experience in lieu of education. After going through the county personnel procedures prior to being employed, they are still subject to being trained in the practical aspects of valuing property and this county's systems. They are expected to conform to all of the statutes regarding equitable valuations, they must work in the field with the limited supervision which field work implies and they must be prepared to defend their work to individual taxpayers, at administrative

hearings and in court. Absolute impartiality and fairness in dealing with valuation matters is essential. As they have the opportunity to progress professionally, they could be faced with extremely sophisticated valuation problems.

APPRAISAL STAFF HISTORY

Current staffing and organization of the Valuation Section is illustrated on page IV-7, followed by page IV-8, illustrating the same information for the 1973-74 fiscal year. The starting point for developing the 1973-74 illustration was that year's budget document, which does not show the separate crew assignments. Memoranda written at or about that time was reviewed to aid in arriving at the number of people assigned to the various sections and the memory of some of those who were employed by A & T at the time was also invoked.

The 1973-74 chart shows 110 people employed in Valuation. This group consisted of 69 appraisers, 13 appraiser supervisors, 5 personal property auditors, 18 clerks, 4 section chief appraisers and 1 valuation manager.

The current chart shows a reduction to 66 people. Appraisers have been reduced from 69 to 33. Appraiser supervisors have been reduced from 13 to 6. Personal property auditors have been reduced from 5 to 2. Chief appraisers have been reduced from 4 to 2 and clerical positions have been reduced from 20 to 18.

The 1973-74 fiscal year has been used as the year to make comparisons with the current year because that seems to be the last year for which meaningful records are available. Senior members of the staff recall that in earlier years the staff had as many as 88 appraisers.

Long standing policy in A & T has been to comply with the six year cycle regardless of personnel resources. In order to do this, many short cuts have been taken. Computerization was expected to solve the problem but has only been partially effective. The Oregon Department of Revenue now considers Multnomah County out of compliance and has rejected part of the Division's valuation work for the 1987-88 tax year.

VALUATION SECTION STAFFING
1987-88 FISCAL YEAR

		<u>RESIDENTIAL</u>	CHIEF APPRAISER	1
		<u>SECTION</u>	SUPERVISORS	2
			APPRAISERS	15
		<u>COMMERCIAL,</u>	CHIEF APPRAISER	1
<u>DIRECTOR</u>	<u>VALUATION</u>	<u>INDUSTRIAL,</u>	SUPERVISORS	4
	<u>MANAGER</u>	<u>PERSONAL</u>	APPRAISERS	18
		<u>PROPERTY,</u>	FIN SPEC	1
		<u>SECTION</u>	FIN TECH	1
		<u>CLERICAL</u>	SUPERVISOR	1
		<u>SUPPORT</u>	OFFICE ASST IV	1
		<u>SECTION</u>	OFFICE ASST III	5
			OFFICE ASST II	13
		<u>DATA</u>	MANAGER	1
		<u>ANALYSIS</u>	OFFICE ASST II	1
			TOTAL	65

VALUATION STAFFING
1973-74 FISCAL YEAR

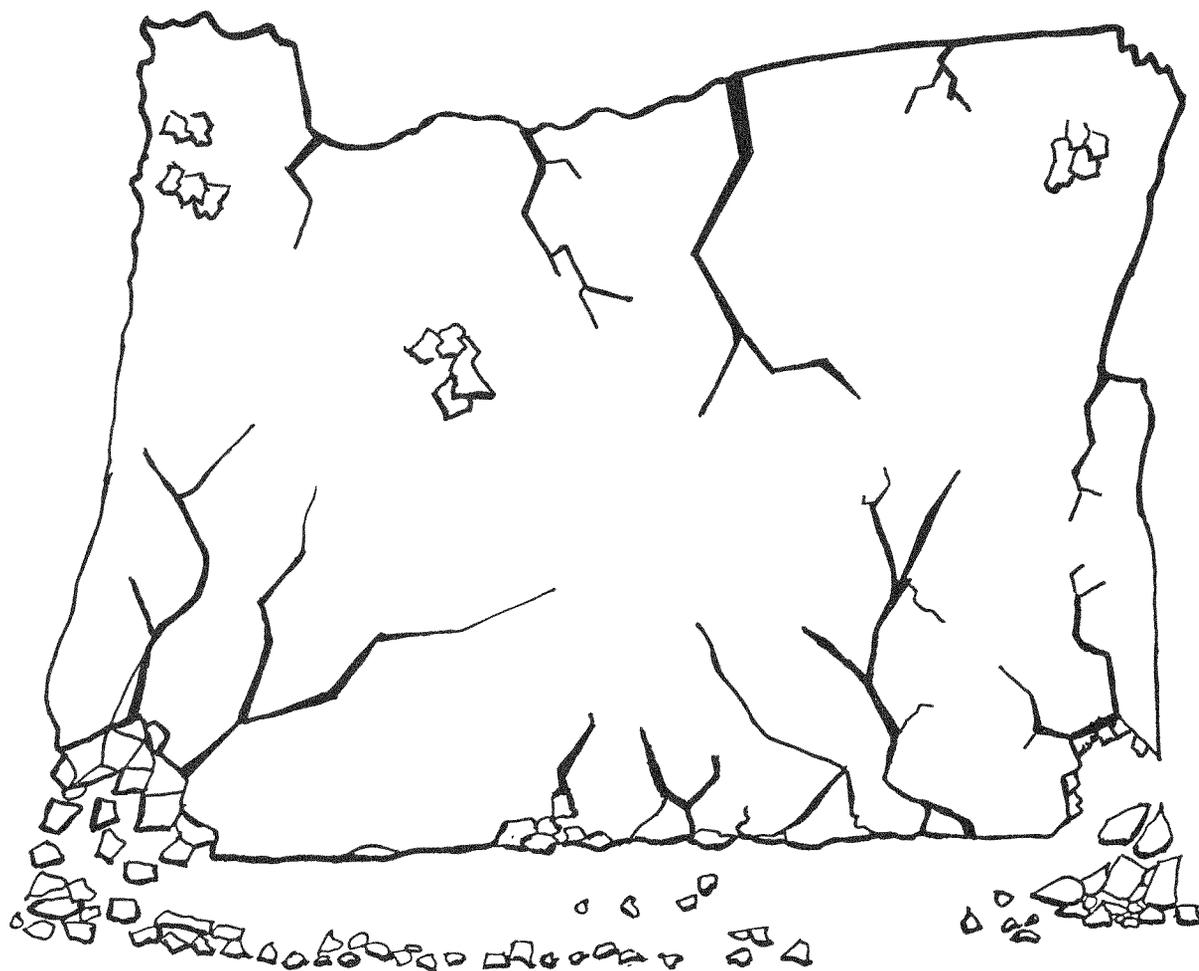
	<u>RESIDENTIAL</u>	CHIEF APPRAISER	1
	<u>SECTION</u>	SUPERVISORS	4
		APPRAISERS	26
		CLERKS	5
	<u>COMMERCIAL</u>	CHIEF APPRAISER	1
	<u>SECTION</u>	SUPERVISORS	4
		APPRAISERS	22
		CLERKS	4
<u>DIRECTOR</u>	<u>VALUATION</u>		
	<u>MANAGER</u>		
	<u>PERSONAL</u>	CHIEF APPRAISER	1
	<u>PROPERTY</u>	SUPERVISORS	3
	<u>SECTION</u>	APPRAISERS	13
		AUDITORS	5
		CLERKS	6
	<u>INDUSTRIAL</u>	CHIEF APPRAISER	1
	<u>SECTION</u>	APPRAISERS	6
		CLERKS	1
	<u>APPRAISAL</u>	SUPERVISOR	1
	<u>ANALYTICAL</u>	APPRAISERS	2
		CLERKS	2
	<u>TRAINING &</u>	SUPERVISOR	1
	<u>APPEALS</u>		
		TOTAL	109

APPENDIX D
OTHER RELEVANT MATERIALS

Other relevant materials include:

- Disintegration of Oregon's Property Tax System, a report by the Oregon Department of Revenue, March, 1987
- Oregon's Property Tax System: The Disintegration Continues, a report by the Oregon Department of Revenue, November, 1988

Oregon's Property Tax System: The Disintegration Continues



Oregon Department of Revenue

November 1988

Oregon's Property Tax System: The Disintegration Continues

Oregon Department of Revenue

November 1988

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Table of Contents

Introduction	v
Report Summary	vii
SECTION I	
Oregon's Property Tax System: A Growing Crisis	1
SECTION II	
Specific Problems Areas in Oregon's Property Tax System	15
SECTION III	
Summary of the History of Oregon's Property Tax System	35
SECTION IV	
Background on the Elements of an Appraisal Program	39
 Addenda	
Exempt Properties	49
Property Classification	51
The Mass Appraisal Program	53
Tax Levy Limitations	61

INTRODUCTION

In March of 1987 the Department of Revenue released a report on the "Disintegration of Oregon's Property Tax System." That report discussed problems in the property tax system which were causing properties in Oregon to be assessed and taxed unfairly.

In the period since, there has been a continuing disintegration of the system. Last year, 22 of the 36 counties were out of compliance with the statute requiring current appraisals. Today that number has grown to 26. As this disintegration of the foundation continues, a system that collects over \$2 billion a year in taxes is becoming more and more unfair.

OREGON'S PROPERTY TAX SYSTEM: THE DISINTEGRATION CONTINUES

Summary

- **The property tax, at over \$2 billion, is Oregon's largest single tax resource.**
- **The fairness of the property tax is based on the accuracy of property appraisal of over 1,600,000 accounts statewide.**
- **To be accurate, and fair, appraisals must be current.**
- **Counties are losing ability to maintain current appraisals due to staff losses.**
 - Due to economic conditions staffing levels of county assessment and tax offices have been reduced from 1,294 in 1980 to 870 in 1988.
 - Appraisal staff reduced from 498 to 349.
 - 26 of Oregon's 36 counties now unable to keep appraisals current.
- **Inaccurate appraised values lead to:**
 - Unfair distribution of property tax burden (many taxpayers now pay more or less than fair share).
 - Taxpayers in "joint" district (covering more than one county) may not be paying same amount for same service.
 - School districts may not receive fair share of state basic school support funds.
 - Bonding capacity of state, cities, and local districts may be adversely impacted.
- **The unfairness of Oregon's property tax will continue to grow unless corrective action is taken.**

SECTION 1

Oregon's Property Tax System: A Growing Crisis

The property tax is the largest single tax in Oregon. As a major source of revenue, the property tax provides funding to support such services as education, police and fire protection, city and county administration, and the many other services that affect the day-to-day quality of life for Oregonians.

Being the largest tax in the state, exceeding the personal income tax by nearly \$700 million, it is imperative that the administration of the property tax provide that all real and personal property be valued in a fair and equitable manner. Only then will there be assurance that each property owner pays only their fair share of the property tax burden.

Fair Taxation

For the property tax to be effective, the administration of the property tax must provide that all real and personal property be valued in a fair and equitable manner so that the distribution of the tax is uniform on all taxable property.

That concept is so basic that it has been a component of Oregon's Constitution from the earliest days of Oregon's history.

Article I, Section 32...all taxation must be uniform on the same class of subjects within the territorial limits of the taxing authority.

And, Article IX, Section 1...gives both the legislative assembly and the people, through the initiative process, the authority to pass uniform rules of assessment and taxation. Also, all taxes shall be levied and collected under general laws operating uniformly throughout the state.

Uniformity in Oregon

Even with Oregon's property tax problems, a sound, fair, and equitable basis for the property tax can be achieved. The problems of today are in many ways a repeat of history. During the depression era in the 1930's severe state and county budget cuts forced staff reductions in assessment and tax offices. During this period virtually no work was done to maintain current appraisals. This condition continued through the period of World War II. The post war years saw inflation, population, and industrial growth which adversely affected the counties' abilities to address valuation inequities. By the late 1940's it became apparent that due to limited staff and a rapidly changing market the assessment of properties was completely unfair.

To address the problem the legislature enacted a statewide reappraisal program. This program involved inventorying and revaluing all properties in Oregon. In addition, a standardized mapping system was developed to insure accurate maps which serve as a base for the appraisal and records functions. This program took almost 16 years to complete and cost over \$10 million. Conservative estimates place the cost at seven to eight times as much for such a program today.

The legislature also recognized that the reason the system had become unfair was due to the long time lag between property reappraisal. Therefore, legislation was enacted which required each property be reappraised at least once every six years. This, and other legislation, such as the annual adjustment of values, and compliance requirements, developed a property tax system that by the late 1960's and early 1970's was recognized as a leader nationwide.

Uniformity Lost

In 1980 Oregon began to experience a serious economic decline. One of the results of this decline was a reduction in assessors' and tax collectors' staff from 1,259 in 1980 to about 870 at the present time. The result of these reductions soon became obvious. Appraisal work in most counties was severely curtailed. In fact, in some counties, appraisal work, with the exception of new construction, was completely eliminated.

This trend has caused more and more counties to become "out-of-cycle" with the six-year appraisal requirement. In 1980 only 1 of the 36 counties had out-of-cycle appraisals. In 1982, five counties were out-of-cycle, by 1984 the number had doubled to ten, and in 1987 22 counties had appraisals more than six years old. Although Oregon's economy has had a comeback in most areas, the number of counties with out-of-cycle appraisals still continues to grow at an alarming rate with 26 counties out-of-cycle for the January 1, 1988 assessment date.

Because of the lack of current appraisals, uniformity of assessment, which dictates the success or failure of a property tax system, is rapidly being lost. Incorrect property inventories, improperly maintained maps, and inaccurate valuations are becoming the norm. Now, our current property tax system is rapidly mirroring the conditions of the 1930s and 1940s that existed before the reappraisal program of the 1950s.

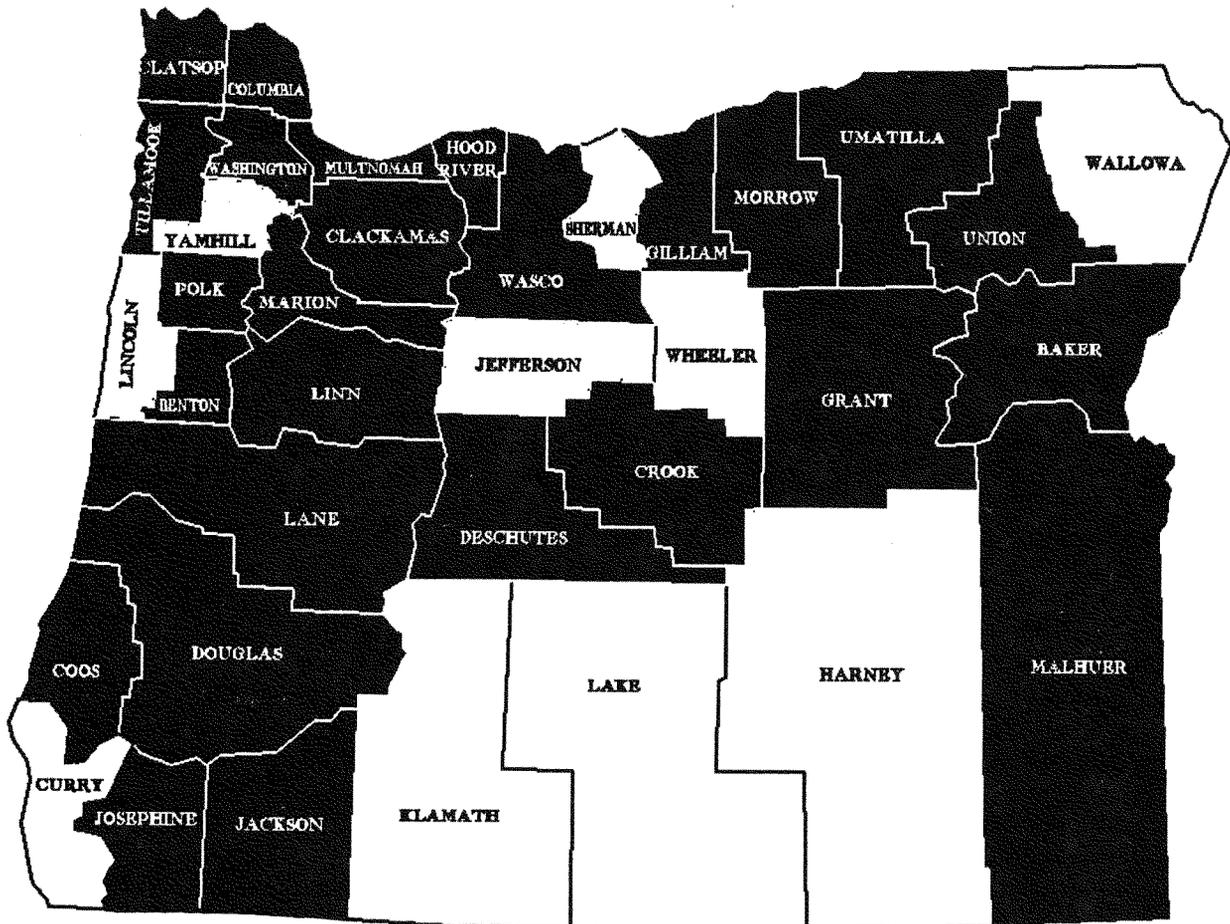
As mentioned before, the legislature in the late 1940s and 1950s saw the crucial need to correct the unfairness of the property tax system of that time. Although they had initiated the statewide reappraisal, they recognized that the system would fall into decline if appraisals were not kept current.

The legislature of that time adopted the six-year appraisal cycle to eliminate the decline of fairness in our property tax system. However, although provisions were made to prevent a county from intentionally failing to maintain the appraisal cycle, there were no provisions installed to continue the system through an economic decline.

Now, due to budget reductions, many counties have lost their ability to maintain current appraisals. Recent compliance studies made in Lane and Clatsop counties, and studies currently underway in Clackamas and Linn counties found numerous properties that had not been reappraised in over ten years. The studies show that in the out-of-cycle areas it is almost commonplace to find similar homes in the same neighborhood with significant differences in value. For some homes reviewed during this study the difference was as much as \$20,000. This resulted in some property owners paying much more (over \$500) in taxes than their neighbor paid for the same home.

Counties With Out-of-Cycle Appraisals

(January 1, 1988)



Out of Cycle

The examples found were not isolated cases. Inequitable property taxation was found to exist in all out-of-cycle areas to a greater or lesser degree, and in all property types. Along with residential properties, commercial, rural tracts, and farm and industrial properties also were found to suffer from the loss of fairness in the property tax system.

Effect on Tax Levies and Bonding Capacity

Not only do inaccurate values have a direct effect on taxpayers, they also affect state bonding capacity. A variety of general obligation and revenue bond programs have been approved in Oregon for the state to finance public purpose programs and projects. Generally these bonds are limited to a percentage of the total true cash value (TCV) in the state. For example:

- . Veterans Bonds - limited to 8 percent of TCV
- . Higher Education Building - limited to 3/4 of 1 percent of TCV
- . Water development projects - limited to 1 1/2 percent of TCV
- . Housing for elderly and disabled - limited to 1/2 of 1 percent of TCV

As these and other state bonds are limited by the total true cash value in the state it is important that the indicated true cash value be as accurate as possible. An understatement of the value could place an unrealistic limit on our bonding capacity. Conversely, if it is perceived that the value is overstated it may have an effect on the bond rating and adversely affect the interest rate charged.

In addition to state bonding, there are some areas where true cash value has an effect on a taxing district's ability to levy taxes or sell bonds.

The legislature has limited the property tax power of many districts to a percentage of the true cash value, or the assessed value, of property in the district. The maximum amount a district can certify, therefore, will not be correct if the value of the district is not correct. For example, many road districts are limited to levy 1/4 of 1 percent (.0025) of the total true cash value of the district.

Many local governments are also limited in their power to issue bonds to a percentage of the true cash value by particular statutory reference. Under ORS 287.004, the bonding authority of cities is limited, after certain adjustments, to 3 percent of true cash value.

Western Oregon Timber Severance taxes and Eastern Oregon Timber Severance taxes are distributed to taxing districts as a tax levy offset. The amount a district receives is determined in part by the prior year's tax rate. Since tax rates are determined by the assessed value of the district, an incorrect value may result in an incorrect rate. Incorrect rates will result in a district receiving more or less severance tax offsets than it should.

In the Addenda is a copy of Chapter 14 "Tax Levy Limitation" from the Budget Manual for Municipal Corporations. This includes a chart that lists many of the bonding and levy limitations of various taxing districts in Oregon.

State Aid for Schools

Funding of elementary and secondary schools in Oregon has traditionally placed a heavy reliance on the property tax. But with the uneven distribution of property wealth between school districts, it became apparent decades ago that the quality of education varied greatly between school districts in Oregon.

To address the problem, provisions were established to provide state aid to equalize the property wealth of school districts and thus equalize the quality of education.

About \$300 million of the state's aid to school districts is distributed through what is called the equalization formula. This formula attempts to equalize, among school districts, the taxable property per child. With so many counties not current on their appraisal of property, this state aid is not being distributed as intended. Some school districts are receiving more state equalization dollars than they should, and others are receiving less equalization dollars than they should. Because accurate equalization is so important, the Governor's Commission on School Funding Reform has recommended the state's school aid formula be suspended until the appraisal of property is brought back in cycle.

Other Problem Areas

In addition to the unfairness caused by appraisals being outside of the six-year cycle, there are other serious problems resulting from the staff limitations which are having a detrimental effect on assessment equity; i.e.:

1. To compensate for loss of staff, counties have sought to accelerate the rate of appraisals. To appraise the same number of properties with a reduced staff requires that something must be sacrificed. What has been sacrificed is the quality of appraisal. Detailed property inspections and reviews have been drastically reduced, resulting in inaccurate appraisals.
2. Support by assessors' staffs on appeals to boards of equalization has been reduced and less effort is being made to support appeals to the Department of Revenue and in Tax Court. This results in appeal bodies making decisions with less information, further distorting the value relationship between properties (see Exhibit 2).
3. In many counties, annual valuation of personal property and computation of farm use values previously done by appraisers is now an office clerical function. There are no field inspections to determine if all personal property is fairly taxed, or to examine property to ensure correct farm use assessment.
4. Map systems are not being properly maintained. In many counties, new maps are not being made when needed. Deed processing is delayed several months, or even indefinitely. Tracing corrections and appraisal maps are several months to a year behind.
5. Assessment roll records' maintenance has also fallen behind. Name and address changes to the roll are delayed causing errors in information to taxpayers. And, in some counties, tax statements are being sent out late.

Exhibit 2

Board of Equalization Petitions Filed

<u>County</u>	<u>1980</u>	<u>1988</u>
Baker	145	44
Benton	414	422
Clackamas	687	1,113
Clatsop	186	71
Columbia	247	166
Coos	103	374
Crook	84	31
Curry	214	106
Deschutes	349	1,106
Douglas	86	387
Gilliam	18	7
Grant	46	0
Harney	32	10
Hood River	150	39
Jackson	503	795
Jefferson	19	46
Josephine	181	239
Klamath	91	250
Lake	10	20
Lane	1,617	1,656
Lincoln	344	442
Linn	119	188
Malheur	122	47
Marion	894	539
Morrow	57	91
Multnomah	2,860	4,600
Polk	151	250
Sherman	4	2
Tillamook	283	286
Umatilla	139	268
Union	69	94
Wallowa	124	27
Wasco	109	179
Washington	658	700
Wheeler	42	3
Yamhill	236	251
Totals	11,393	14,849

6. Service to the taxpayer has been reduced. Many counties have limited times when the public can contact the assessors' offices. The problem has become so severe, taxpayers in some counties are forced to look up records information on their own without assistance or explanation from county staff.

Conclusion

Oregon's property tax system of today has lost, in a short period of time, much of the fairness that was achieved over the previous two or three decades. Each year that passes without corrective action tends to compound the problem, with more and more properties paying taxes based on obsolete values.

Actions are being taken to increase the efficiency of the appraisal process, but without adequate staffing, correction of the existing value disparities is unlikely in the foreseeable future. In the meantime, many property owners will be paying an unfair share of property taxes.

Following are some examples, found during Department of Revenue county studies, of actual properties which were unfairly taxed due to the counties' inability to maintain current appraisals.

Examples

RESIDENTIAL

Problem: Two similar homes in same neighborhood. Taxes should be equal, but one is paying over \$330 more than its fair share.

Property #1 appraised value \$63,550. Taxes = \$2,178.49
Property #2 appraised value \$73,190. Taxes = \$2,508.95

Examples

RESIDENTIAL

Problem: Two similar houses in same neighborhood should be taxed approximately equal. One property paying almost \$700 more than its fair share.

Property #1 appraised value \$51,000. Taxes = \$1,748.28

Property #2 appraised value \$71,380. Taxes = \$2,446.91

RESIDENTIAL

Problem: \$45,000 house has never been placed on tax roll causing tax shift to other properties in area.

Taxes should be \$1,430. Actual tax \$0.00

RESIDENTIAL

Problem: Home remodeled and added over 3,300 sq. ft. in 1980. New addition never added to tax roll. Value on roll was \$126,000. Should have been \$235,000.

Total taxes for seven years (actual) = \$18,330

Total taxes for seven years (should have been) = \$36,200

Examples

DUPLEX PROPERTY

Problem: Two duplexes were built in 1979 by the same builder, using the same floor plan, and are in the same condition. One duplex was never placed on the tax roll.

Property taxes paid on #1 since 1979 have been approximately \$16,000
Property taxes paid on #2 from 1979 have been \$0.00

DUPLEX PROPERTY

Problem: Both duplexes were built by the same builder, at the same time, using the same floor plan, and are in the same condition. However, one property is valued at \$52,740 and the other at \$46,950. One property is paying almost \$200 more than its fair share.

Taxes on property #1 = \$1,807.93
Taxes on property #2 = \$1,609.45

COMMERCIAL

Problem: Two commercial buildings, very similar in size, condition, and utility should be valued approximately the same. But, one is undervalued and not paying its fair share of tax.

Property #1 appraised value \$3,390. Taxes = \$87.94
Property #2 appraised value \$38,470. Taxes = \$997.91

Examples

COMMERCIAL

Problem: Two commercial buildings, very similar in size, condition, and utility should be valued approximately the same.

Property #1 appraised value \$55,000. Taxes = \$1,426.70
Property #2 appraised value \$147,690. Taxes = \$3,831.08

COMMERCIAL

Problem: Two commercial buildings, very similar, except the building on property #2 has been remodeled and should be valued MORE than building on property #1 but is actually valued less.

Property #1 appraised value \$38,140. Taxes = \$989.35
Property #2 appraised value \$13,650. Taxes = \$354.08

RURAL PROPERTY

Problem: Property #1 is receiving Farm Use special assessment but legally should not be.

Taxes on property (actual) = \$18.26
Taxes on property (should be) = \$479.60

Examples

RURAL PROPERTY

Problem: Two new buildings were built approximately 1984 but not appraised and placed on tax roll until 1988.

Value currently on the roll for these two new buildings is \$26,974

Additional taxes which should have been assessed are \$523.02 per year

Taxes not collected for the three years totaled \$1,569.06

RURAL PROPERTY

Problem: Two new buildings on a property were built, one in 1978 and one in 1981, but were not appraised and added to the tax roll until 1988.

Taxes which should have been assessed:

Property #1 = \$300 per year or \$3,000

Property #2 = \$160 per year or \$960

Taxes not collected = \$3,960

The examples listed above are not isolated problems. Without current appraisals, inequities in the values of properties have developed in all counties which are out-of-cycle. Individual taxpayers are paying more or less than their fair share of taxes, and this condition will continue to worsen until corrections can be made through reappraisal.

Exhibit 3

Status of Oregon Counties
as of January 1, 1988

Counties	Compliance With Six-Year Appraisal Cycle	1988 Approximate Percent Out-of- Cycle (1)	Number of Staff		Percent Change From 1980 To 1988
			1980	1988	
Baker	No	*	14.5	10	-31
Benton	No	9	29	21.25 **	-27
Clackamas	No	31	91	69 (2)	-24
Clatsop	No	36	25	22 (2)	-12
Columbia	No	16	22	13	-41
Coos	No	*	32	24	-25
Crook	No	34	12	8	-33
Curry	Yes	0	15	13	-13
Deschutes	No	7	45	29.5	-34
Douglas	No	*	52	41.5	-20
Gilliam	No	*	4	2	-50
Grant	No	7	7.25	5	-31
Harney	Yes	0	9	4	-56
Hood River	No	*	7.75	7	-10
Jackson	No	*	74	47	-36
Jefferson	Yes	0	13	9	-31
Josephine	No	*	37	27	-27
Klamath	Yes	0	38	23	-39
Lake	Yes	0	8.5	5.25	-38
Lane	No	77	155	83 (2)	-46
Lincoln	Yes	0	33	26 **	-21
Linn	No	37	47	31.6	-33
Malheur	No	7	20	15	-25
Marion	No	10	85	53.5 **	-37
Morrow	No	13	12	5	-58
Multnomah	No	13	179	123 (2)	-31
Polk	No	21	35	13	-63
Sherman	Yes	0	3	2	-33
Tillamook	No	25	16	13 **	-19
Umatilla	No	12	38	25	-34
Union	No	6	16.5	12.5	-24
Wallowa	Yes	0	7	4.75	-32
Wasco	No	*	12	9	-25
Washington	No	*	68	53	-22
Wheeler	Yes	0	3.5	2.25	-36
Yamhill	Yes	0	28	18 **	-36
Total			1,294	870.1	

* Less than 5 percent or industrial only

** Assessor's office only

(1) Does not include counties lack of review of rural land soil classification

(2) Increase of ten or more staff over 1987 level

SECTION 2

Specific Problem Areas In Oregon's Property Tax System

The underlying cause of the growing unfairness in Oregon's property tax system is basically similar in all out-of-cycle counties. Due to economic conditions, staff has been drastically reduced in the assessment and tax offices. Even with the large gains made in productivity over the past few years, the remaining staff cannot carry out the duties necessary to maintain a fair system.

Although all areas of the assessment process have been affected by the reduced staff, the most serious effect has been in the area of property appraisal.

Following is a discussion of the problems that exist in each area of the assessment and taxation process.

Appraisal Program

The valuation of property sets the level of uniformity, or fairness, of the property tax. Therefore, when widespread problems exist in this area, the entire property tax system becomes unfair.

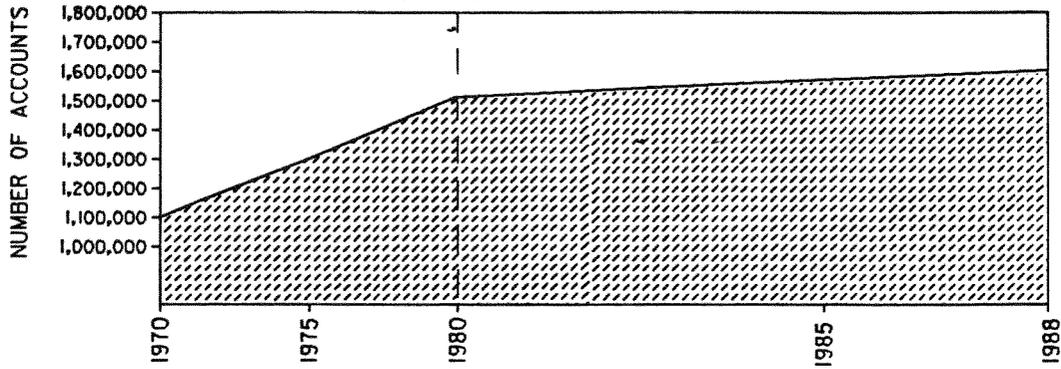
The most serious problem in the valuation of property is the counties' inability to maintain current appraisals as required under the statutory six-year reappraisal cycle.

The 36 county assessors are responsible to value all "locally appraised" property. Locally appraised property is all property not specifically identified to be appraised by the Department of Revenue. It is the Department of Revenue's responsibility to appraise utility properties (electric, communications, water companies, etc.) and large industrial plants.

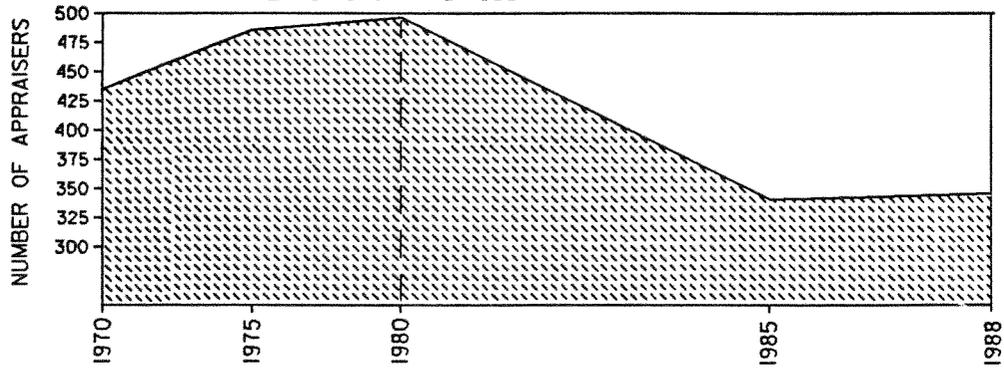
The counties are responsible for appraising all other property including residential, commercial, recreational, multi-family, rural tracts, and farms.

Exhibit 4

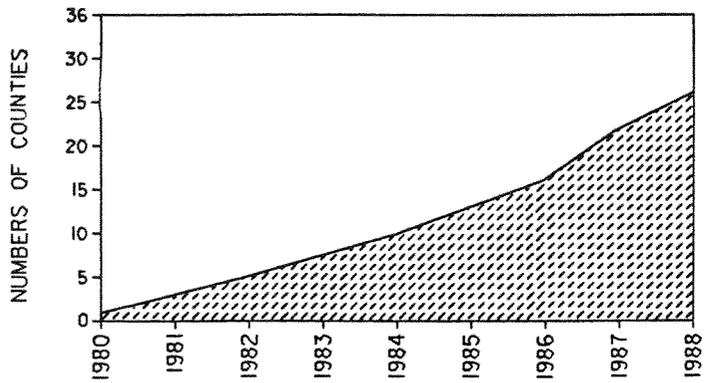
TOTAL NUMBER OF ACCOUNTS OF ALL COUNTIES
YEARS 1970 THRU 1988



TOTAL NUMBER OF APPRAISERS OF ALL COUNTIES
YEARS 1970 THRU 1988



COUNTIES OUT OF CYCLE
1980 THRU 1988



During the 1970s the number of appraisers employed by the counties increased with the increase in workload. In 1970 the counties had 434 appraisers. That number increased to about 500 in the late 1970s. Since 1980 the number has been steadily decreasing to around 350 at the present time. However, since 1970 the number of property accounts to be appraised has grown from about 1.1 million to about 1.6 million.

The decrease in staff combined with increased workload has caused the majority of counties (26 in 1987) to fail to meet the statutory six-year appraisal cycle. With decreased staffs many counties attempted to maintain cycle by requiring more appraisals per person. This reached a point where many properties were being appraised by merely driving by and viewing the property from the car or not reappraising the property at all. Thus, many property changes such as new additions and remodels were not picked up. The general quality (equity) of appraisals in some counties has deteriorated to a point where only a complete physical reappraisal would correct the problem.

Although the majority of counties need additional staff to correct the problems that exist, there have been improvements made in procedures which compensate for some lost staff. Even with the growth in workload, the number of appraisers statewide necessary to maintain a current appraisal cycle is estimated to be about 120 less than the 500 appraisers employed by the counties in 1980.

Status of the 36 Counties

Following is a brief overview of the status that exists in the appraisal program for each of the 36 counties in Oregon.

- | | |
|-----------|---|
| Baker | County is outside the six-year cycle. Low salaries are causing better appraisers to leave for other counties or jobs. The work environment in the office is not good. |
| Benton | County is outside the six-year cycle. County is in the process of installing a computer assisted appraisal program. |
| Clackamas | County, as of January 1, 1988, was approximately 38,000 accounts out-of-cycle. This is mainly due to past staff reductions. |

Exhibit 5

County Property Tax Statistics

<u>County</u>	<u>January 1, 1988 Locally Assessed True Cash Value</u>	<u>1987/88 Total Taxes</u>	<u>Number of Accounts*</u>	<u>Assessor's Budget 7-1-88</u>
Baker	335,798,390	9,699,263	13,178	253,710
Benton	1,713,223,020	49,432,777	28,010	750,265
Clackamas	8,428,314,190	215,107,416	127,980	2,425,997
Clatsop	1,393,673,710	27,642,716	29,552	720,306
Columbia	907,590,917	26,247,195	26,704	457,630
Coos	1,343,531,685	37,854,473	41,728	531,255
Crook	339,463,990	6,716,270	13,170	188,403
Curry	619,050,270	8,895,145	15,350	350,421
Deschutes	2,352,816,770	52,086,237	64,995	828,693
Douglas	2,318,378,462	53,030,799	53,598	1,161,247
Gilliam	106,814,503	2,878,834	3,565	71,980
Grant	228,506,364	3,587,122	6,705	136,280
Harney	189,341,400	4,508,249	10,330	145,203
Hood River	437,958,340	9,460,743	9,102	288,765
Jackson	3,898,998,011	81,946,912	87,809	1,302,205
Jefferson	274,386,477	8,091,193	11,790	202,409
Josephine	1,668,490,760	28,406,992	37,351	632,140
Klamath	1,489,021,859	33,766,322	68,099	643,174
Lake	212,230,580	4,921,241	15,628	190,155
Lane	6,525,680,580	205,002,372	141,000	2,699,266
Lincoln	1,736,641,480	38,030,376	41,864	843,242
Linn	2,063,093,392	58,766,975	48,607	978,818
Malheur	623,582,480	17,513,158	17,494	342,850
Marion	4,816,545,740	136,067,884	97,133	1,876,214
Morrow	286,941,920	13,765,150	7,189	176,328
Multnomah	18,248,183,482	544,985,251	250,006	5,225,534
Polk	1,000,784,431	27,900,194	26,742	516,251
Sherman	81,903,290	3,235,381	2,913	70,324
Tillamook	849,736,540	16,216,965	25,209	218,233
Umatilla	1,279,674,210	35,721,754	35,764	561,088
Union	452,731,071	14,537,397	14,162	337,870
Wallowa	192,585,700	5,600,201	7,181	98,457
Wasco	498,207,242	19,577,117	14,972	294,867
Washington	9,726,580,200	250,824,737	117,874	2,474,425
Wheeler	45,018,700	992,427	2,096	55,661
Yamhill	1,550,453,890	39,606,883	32,109	606,700
Totals	78,235,934,046	2,092,624,121	1,546,957	28,656,366

* Does not include centrally assessed or exempt properties.

<u>County</u>	<u>Appraisers Budgeted 7-1-88 (1)</u>	<u>Number of Appraisers Necessary to Maintain Statutory Cycle (2)</u>
Baker	5	5
Benton	11.25	10
Clackamas	28	30
Clatsop	10	8
Columbia	6	7.5
Coos	8.5	9
Crook	4	4
Curry	6	5
Deschutes	11	12
Douglas	20	18
Gilliam	1	1
Grant	2	3
Harney	2	2.5
Hood River	3	3
Jackson	19	19
Jefferson	3	3
Josephine	13	11
Klamath	8	10
Lake	2.25	2.25
Lane	13	33
Lincoln	12	9
Linn	11	12
Malheur	7	6
Marion	25	24
Morrow	2	3
Multnomah	46	56
Polk	4	6.5
Sherman	1	1
Tillamook	4	5
Umatilla	12	12
Union	6	6
Wallowa	1.5	2
Wasco	5	4
Washington	27	26
Wheeler	.5	1
Yamhill	9	9
Total	349	378.75

(1) May include data analyst and personal property appraisers in some counties.

(2) Estimated by the Department of Revenue; does not include full time data analyst or property appraisers.

Clatsop County is about 10,000 accounts out-of-cycle for January 1, 1988. This was due to past staff reductions. A recent passage of a new tax base will provide adequate staffing.

Columbia County is out-of-cycle by approximately 4,000 accounts due to a reduced four day work week and loss of staff. The county has computer capabilities but lacks the funds to complete appraisal programming needs.

Coos County is outside the six-year cycle because of past reduced staff and high turnover.

Crook County is out-of-cycle by about 4,300 accounts. County recently went through a budget uncertainty resulting in two appraisers leaving for more secure jobs.

Curry County is within the six-year cycle with no major staffing or management problems.

Deschutes County has approximately 4,000 accounts out-of-cycle. County continues to improve production and quality of appraisals.

Douglas County is outside the six-year cycle on industrial properties but has no major staffing or management problems.

Gilliam County is outside the six-year cycle on industrial property. Quality of work has been good. Current low pay for the appraiser position has kept the county from hiring a qualified appraiser.

Grant County has about 500 accounts outside the six-year cycle. Low salaries make it hard to hire qualified appraisers.

Harney County is within the six-year cycle with no major staffing or management problems.

Hood River County has few appraisals out-of-cycle.

Jackson County is slightly outside the six-year cycle but has no major staffing problems.

Jefferson County is within the six-year cycle. There are adequate budgeted positions at the present time.

Josephine The county is out-of-cycle on industrial property.

Klamath The county is within the six-year cycle. Staffing level is below a minimum for getting work done.

Lake County is within the six-year cycle. Quality of work is acceptable.

Lane County is approximately 108,000 accounts out-of-cycle and value equity is non-existent. Recent increase in O & C (federal timber) monies has been set aside to hire additional staff.

Lincoln County is within the six-year cycle with no major staffing or management problems.

Linn County has approximately 18,000 accounts out-of-cycle. With a heavy industrial workload, this will only become worse if additional qualified staff is not hired.

Malheur The county has over 1,000 accounts out-of-cycle and may have more out-of-cycle for the upcoming year. This is mainly due to an unequal work load in the appraisal areas.

Marion County has approximately 10,000 accounts out-of-cycle. This is primarily due to past staff shortages.

Morrow The county has about 1,000 accounts out-of-cycle. Production has been low in the county because of difficulty in hiring experienced appraisers. Recently, the county lost one appraiser. A staff of three qualified appraisers would be sufficient to maintain a six-year cycle.

Multnomah The county is about 33,000 accounts out-of-cycle. The appraisal staff is approximately 10 positions less than necessary to maintain current appraisals.

Polk County had about 5,500 accounts out-of-cycle on January 1, 1988, and will be approximately 7,700 accounts out-of-cycle on January 1, 1989. This is due to staff reductions through budget cuts.

Sherman The county is within the six-year cycle.

Tillamook	County has about 6,000 accounts outside the six-year cycle. This is due largely to the loss of appraisal staff through budget reductions. High rate of staff turnover due to reduced salaries has led to problems in appraisal work.
Umatilla	The county is about 4,500 accounts out-of-cycle. The present staff is sufficient to maintain current appraisals.
Union	The county has about 900 accounts outside the six-year cycle. The present staff is considered adequate.
Wallowa	The county is within the six-year cycle. Low pay has kept the county from hiring qualified appraisers.
Wasco	The county is outside the six-year cycle. The budgeted staff is adequate to maintain appraisals on all but industrial properties.
Washington	County has about 2,700 accounts out-of-cycle. No major staffing or management problems.
Wheeler	The county is within the six-year cycle. Appraisal quality is good. The county has used a contract appraiser for their appraisal work but may not be able to obtain this service in the future.
Yamhill	The county is within the six-year cycle. No major staffing or management problems.

Industrial Appraisal Program

Today, many counties lack the resources to adequately reappraise industrial properties. Because of the amount of value involved in this type of property, large tax shifts can occur.

When the financial crisis of the early 1980s forced counties to reduce staff, they asked the Department of Revenue to assume responsibility for more industrial appraisals. These requests for industrial appraisal assistance totaled over three times the work load the department's resources could handle.

Because the department could not respond to all the requests, it was necessary to develop a program to prioritize resources. During the 1985 legislative session, the department and legislature discussed the problem and alternative solutions.

In 1987, the legislature increased the number of industrial appraisal positions at the department by five, and redefined the responsibility of the department for industrial appraisals.

The department is to appraise only plants with an improvement value of \$5 million or more, in four categories (wood products, food processing, chemicals, and metals). This represents 60 percent of the value of all industrial property. This shift has focused the department's resources on the largest and most complex industrial appraisals, which the department expects to have in cycle by 1994.

However, there are many accounts with values less than \$5 million or outside the four categories which are the responsibility of the counties. Many counties are struggling to train and develop the staff to meet these responsibilities.

There are only 27 industrial appraisers employed by the counties; many appraise industrial property only part-time, and only 16 of these have two or more years of experience. Seventeen counties lack a single industrial appraiser.

The department has increased the training available to assessor's staffs and created new manuals to aid county appraisers. But many counties are not able to adequately appraise the industrial plants for which they are responsible. The result is undervalued industrial property with more of the tax burden shifting to other classes of property.

The most critical problems facing the industrial appraisal program today are:

1. Extremely serious shortage of trained industrial appraisers.
2. Lack of ability and necessary resources to defend appraisals when valuation levels are challenged.
3. Inability of counties to maintain the six-year reappraisal cycle. In the fast changing industrial environment, even a six-year cycle can be too long.

There are over 4,500 improved industrial accounts in the state (this excludes bare industrial land). Of these, approximately 800 have improvements valued at over \$1 million and of these, 200 are valued at \$5 million or more. The 800 accounts valued over \$1 million include 85 percent of all the value of industrial improvements in the state. The 200 accounts valued at \$5 million or more include 60 percent of all industrial improvements.

Value Range	Accounts	Total Value	Percent
\$5 million and up	200	\$3.2 billion	60
\$1 million and up	800	\$4.6 billion	85
All industrial	4,500	\$5.3 billion	100

The legislature has moved to address the problem in industrial appraisal by assigning the responsibility for appraising plants over \$5 million in the four categories to the department. Even so, the counties still have a work load they cannot manage.

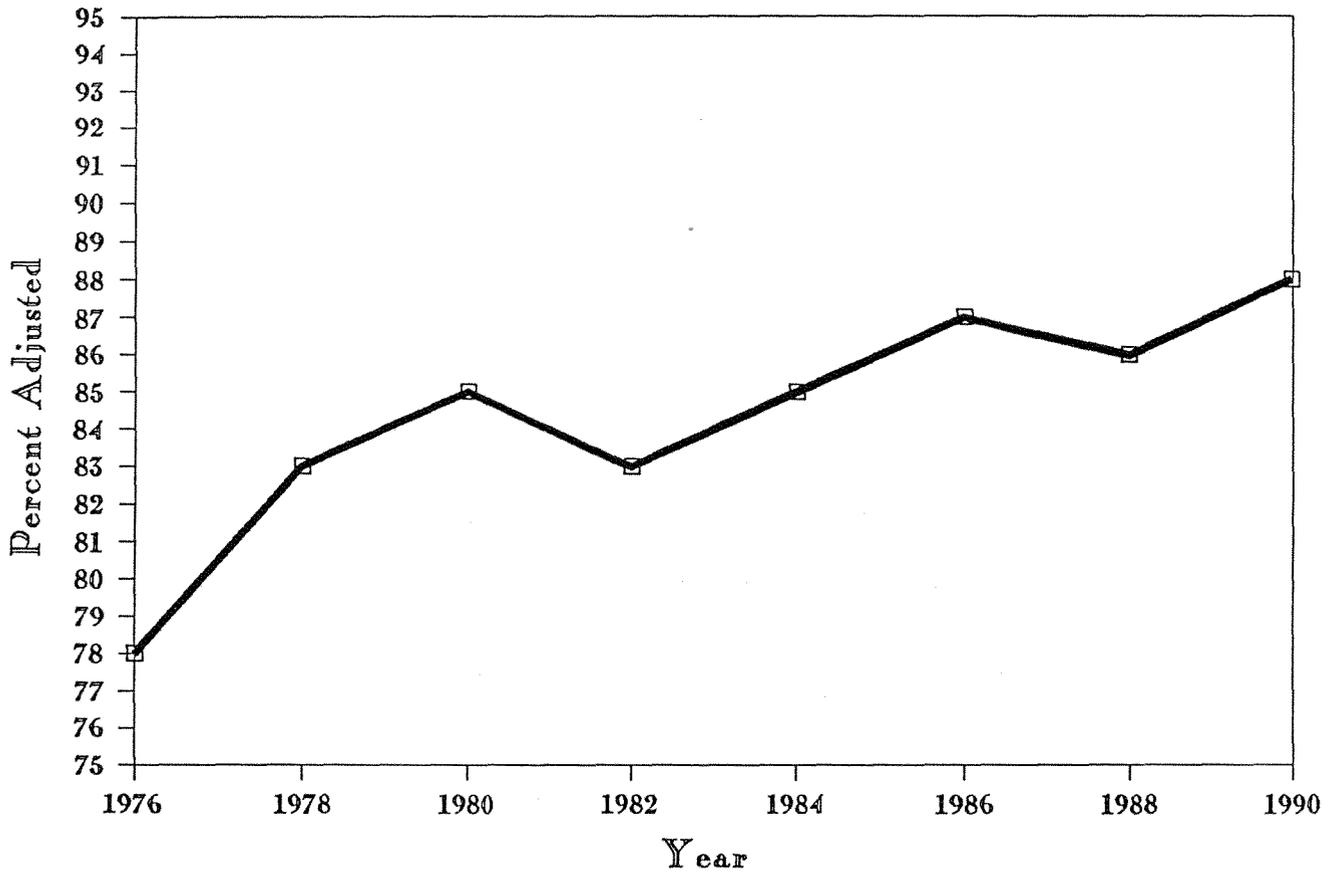
Centrally Assessed Property Program

Oregon has an adequate, stable staff for the centrally assessed property program. However, the growing complexity of appeals has been straining the department's resources. The recent Southern Pacific Railroad case in Tax Court has cost Oregon approximately \$300,000 just in attorney and expert witness fees. And, with at least two additional railroad cases anticipated, the drain on resources will probably become three times that in the future.

The most significant problems in the area of centrally assessed property are:

1. A widespread change in public and corporate attitude from general confidence in the reasonableness of the assessments to challenges based on a perception that any appeal will result in some value reduction.
2. Changes in the federal income tax system have resulted in a situation where many corporations pay little or no actual income tax. In such a circumstance, property tax takes on more significance. Therefore, corporations have shifted their tax staff efforts to try to reduce the property tax cost to their operations.

PROPERTIES ADJUSTED ANNUALLY (As a Percent)



3. High inflation has caused great fluctuations in capitalization rates, and forms the basis for significant differences in opinion as to correct rates. (Factors such as spot rates, five year averages, apparent trends, etc., led to wide spreads in monetary conclusions.)
4. Because Oregon is very property tax dependent (in contrast to states having a sales tax) the property tax paid in Oregon by multi-state companies becomes comparatively more burdensome.

Annual Value Adjustment Program

Oregon statutes require 100 percent of true cash (market) value be placed on each property as of January 1 of each year. The sales ratio program is the process used to determine the adjustment to apply to properties during the years when they are not physically appraised.

As the cost of appraising each property every year would be prohibitive, counties are divided into "appraisal areas," generally six, one of which is reappraised each year. In this way, by the end of the sixth year each property in the county has been physically reappraised.

Those properties not reappraised each year are adjusted by a percentage to bring them to market value. The percentage adjustment is determined by a sales ratio program which compares the assessed value of all sold properties to the actual selling price for those properties.

This process identifies changes in value that have occurred over the year and what is needed to bring the assessed value of the specific type of property in the area to 100 percent of market value. In this way, a factor is developed to be applied to the properties not appraised for that year to adjust their values to the same value level as the properties which are appraised.

Normally the sales ratio program keeps the values between properties appraised and those not appraised at a fair and equitable level. However, beginning in 1982 two factors developed which began to cause problems. With the lack of appraisal staff, fewer properties were appraised each year and an increasing number of properties had to be adjusted each year.

At the same time a weak real estate market provided fewer sales each year. The problem was further compounded by staff shortages to conduct special studies to compensate for the lack of sales. The final result of these problems was:

1. In some counties nearly 100 percent of the properties were adjusted rather than appraised.
2. Adjustment factors were developed from poor data which caused inaccurate value levels.
3. Because of lack of sales, adjustment factors could not be developed for some areas or property types and assessors had to "conclude" no adjustment.

In a period in which the real estate market was rapidly declining the inability to develop proper, or any, adjustments resulted in many properties being valued far in excess of their actual market value. The assessed values lost credibility with property owners and dramatically increased appeals to the boards of equalization.

Exemption and Special Assessment Programs

The subject of property tax exemptions has little meaning to most property owners in Oregon. There is an overall lack of understanding about the property tax system in general let alone the exemption of property. How the property tax system functions, and the hidden impact exemptions have on all owners of taxable property is not known to most Oregonians.

Property tax exemptions and preferential assessments are significant because they have a direct bearing on the tax base (total taxable value in a taxing district). A broad tax base eases the burden on individual taxpayers while a constricted base accentuates the individual taxpayer's burden.

Any exemption or special assessment at less than market value merely shifts the cost of services to the properties which are valued at market. And many of these tax exempt properties also require the services of local government, such as police, fire, streets, etc., which are paid for by the property tax.

In addition, the administration of exemptions and special assessments; processing applications, determining qualification, monitoring for change of use, etc., creates a drain on staff resources for the assessors' offices. These include:

1. Higher administrative costs per property, resulting from a need for special forms, additional counter time, special record keeping, processing annual requalifications and matching with prior applications, and intergovernmental involvements.
2. Difficulty in processing applications and determining qualifications. Inconsistencies result in a large number of appeals.
3. Without adequate staffing, the assessors cannot maintain good records of exempt properties.

A listing of exemptions and special assessments and the effect they have on assessed value is contained in the Addenda.

Data Automation

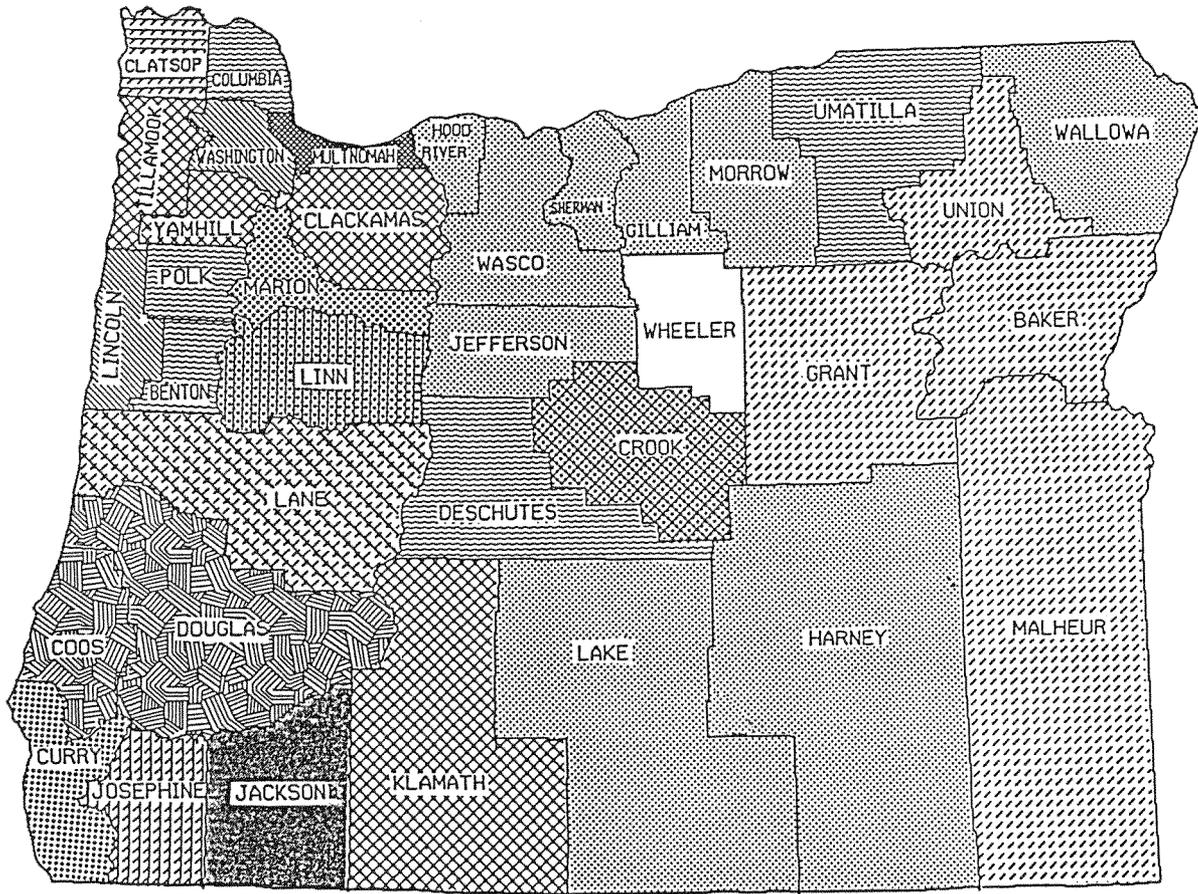
As in any other area today, computers are extensively used in assessment and taxation work. Computerized mapping is replacing hand drawn maps, and names, addresses and values are stored in computers which can then adjust, calculate and create assessment and tax rolls. Computerized mass appraisal programs are used to increase appraisal production and quality.

However, a patchwork of different hardware and software systems exists in the counties. Because counties have independently developed their own programs, there is not a standard computer program for assessment and taxation functions. Therefore, whenever changes are necessary each county must rewrite their programs independently.

Not only does this create problems because the changes tend to address the problem differently, but also the statewide cost of computer programs is much higher due to lack of standard programs.

County Data Automation Systems

(each pattern represents a different system)



Some of the problems created by different systems are:

1. The number of programs used by counties for assessment and taxation work runs from a low of 750 in one county to over 1,600 in another.
2. Each county must program changes independently. For example, a recent supreme court decision on tax rate calculation required each county to rewrite that program. Some counties were able to make the change using only 14 staff days. Other counties needed over 60 staff days. If the programs had been standard the rewrite could have been made in one area and transmitted to all counties.

In addition to higher costs, the differences in systems means that data cannot easily be transferred between counties or to the state. This causes higher costs in administration of certain facets of the property tax system and prevents a standardization of systems which would tend to promote taxation equity.

Mapping Programs

Cadastral (assessors') maps are the basis for discovery, identification and inventory of property for assessment purposes. Without accurate maps, properties will not be discovered and escape assessment. Also property may be assessed to the wrong owner, or be incorrectly valued due to wrong land area description.

In addition, they are used to identify property, as a base for soil classification maps, and for property appraisal purposes.

The primary responsibilities of the cartographers in the county offices are:

1. Creation of new maps as necessary
2. Transfers - name changes
3. Property divisions
4. Sub-division changes
5. Code changes
6. Minor land partitions

Because of budget restrictions, some counties have not been able to maintain the staff necessary to keep these functions current. In 1970 there were 64 county cartographers to maintain one million accounts. Since 1984 the number of cartographers has been about 52. However, by 1987 the number of accounts had risen to 1.6 million. The result has been a continuing lag in working deeds for remapping and transfers. This means that some property divisions are not shown in the assessors' records and tax statements are sent to the wrong taxpayer, or with wrong dimensions. The results of these problems are often incorrect values and inequitable taxation.

Mapping problems in the counties are not as widespread as appraisal problems. However, in those counties where mapping problems exist, they have a detrimental effect on the fairness of the property tax system.

Oregon's Property Tax Supervision Program

The ability of the department to provide the supervision of the property tax system has been on a decline for almost a decade.

Although the staff reductions experienced by the counties started in 1980, the decline in the department's staff for the supervision of county programs began in the mid-1970s.

From then until now, the number of department staff directly involved with supervision of the counties' assessment programs has been steadily declining. Currently, the staff is 60 percent of the 1975 level.

As the staff declined, the ability of the department to provide assistance and training to the counties in the use of efficient methods and proper techniques in the mass appraisal process became reduced. Concurrently, because of department staff reductions the compliance studies used to determine the counties' levels of assessment quality were virtually eliminated. These studies were a basis for recommending corrective action to the counties.

Therefore, when the economic decline occurred in late 1979 and forced drastic county staff reductions, many counties were unable to maintain an even moderate degree of quality in their assessment programs. In addition, the department did not have the resources to fully provide the assistance, training, and guidance needed.

With the problems that exist with Oregon's property tax system, the need to increase the department's ability to supervise the counties is important.

With limited resources, the Department of Revenue has been hampered in its ability to:

1. Increase production through better management of county appraisal staff. This would be accomplished through assistance and training, formal and informal, for appraisal supervisors and chief appraisers.
2. Assist in realigning cyclical appraisal area boundaries to achieve a more even annual work load.
3. Provide assistance and guidance to appraisal staff members in the use of more efficient methods and techniques in the mass appraisal process.
4. Train and assist in the use of computers as an aid in property appraisal.
5. Increase training and assistance to county data analysts to ensure equity is maintained through annual value adjustments based on Certified Ratio Study Reports.
6. Conduct the appraisals of difficult properties for the county as requested by the assessor.
7. Conduct studies of assessors' office structures, staffing needs, and work flow, and make recommendations based on findings for increased office and staff efficiency.
8. Conduct formal schools, seminars, and training sessions in statewide strategic locations. These are designed to help assessor's office personnel cope with problems in all areas of assessment and taxation.
9. Conduct compliance studies and recommend needed corrective action.

Recently, the department has shifted resources to again conduct some compliance and status studies. Compliance studies were made in two counties for January 1988, and two counties are being studied for January 1989. However, this has forced a further reduction in the amount of training and assistance that can be provided to the counties.

SECTION 3

Summary of the History of Actions Taken to Improve Oregon's Property Tax System

Throughout the history of Oregon various legislative actions have been taken to ensure an equitable property tax system.

Although there have been setbacks, primarily during the depression years of the '30s and World War II, Oregon had a constantly improving property tax system through the 1950s, 1960s and 1970s. Beginning in the early 1980s an economic decline resulted in loss of staff to administer the system. This caused a loss of many of the gains made during the previous decades.

Following is a brief chronological summary of some of the problems encountered and actions taken to improve Oregon's property tax system.

- 1859 Beginning of statehood, state and local government funded by property tax. Uniformity of taxation was as much a concern then as it is today, and made a constitutional requirement.
- 1909 Enough problems had developed in property tax system that State Tax Commission was created. Commission was ineffective due to lack of statutory authority and staff.
- 1929 Legislature took action by providing the tax commission power and staff to secure statewide property tax equity. Income tax was legislated as a property tax relief measure.
- 1932-35 Depression era resulted in severe state and county budget cuts and saw thousands of properties foreclosed statewide.
- 1941 Post-depression era saw inflation, population and industrial growth strain counties' ability to secure and maintain equalization. Valuation inequities became worse.

1947 The legislature recognized the property tax system had fallen into a quagmire. It directed the tax commission to provide in-service training for assessors and tax collectors and assist assessors in reappraising all property.

1951 Studies showed the programs of assistance were not improving assessment conditions. The deterioration had gone too far. The legislature responded by providing funding on a cost-share basis for a ten year statewide reappraisal program under the supervision of the state tax commission. This was later extended to 16 years and included mapping.

1953 Legislature recognized past failure of local government to act; increased powers of the tax commission by giving:

1. Supervisory power over administration of assessment and taxation laws.
2. Supervisory control over county assessors.
3. Authority to make rules and regulations regarding assessment and taxation.
4. Authority to provide uniform methods of assessment and to study assessment equity.

This legislation was to assure equity within and between counties, with the equity established by the statewide reappraisal activity. State supervisory personnel were hired and the monumental task of reinventorying and reevaluating all real property in the state, county by county, was begun.

1955 Legislature became aware that counties were not maintaining appraisals. Six-year appraisal cycle came into effect to assure maintenance and quality of inventory data base. Counties were required to provide one appraiser for each \$30 million or fraction thereof, of true cash value in county.

Tax commission given authority to substitute a ratio in the event of incorrect county ratio.

1957 Map maintenance contracts were initiated to ensure quality property descriptions for ownership records and appraisal data base.

1962 Revenue district offices established with staff to provide county assistance and monitor statutory compliance.

1967 Legislature passed statute requiring department to make compliance studies of assessors' offices. Since this time, the Department of Revenue (tax commission) has made compliance studies in all 36 counties. Numerous problems have been discovered, and up to 1980, most have been resolved without using department supervisory authority.

Repealed requirement for one appraiser for each \$30 million of assessed value.

1969 Department spearheaded a program to develop a computer system designed to meet the needs of county assessment and taxation functions. A system was developed for five counties, but the department's participation was stopped by the 1973 legislature due to a lack of commitment by the counties.

1972 Department reorganized and refined the statewide ratio program. This was to ensure all appraisal areas outside the area being appraised were maintained at the statutory 100 percent assessment level. No county has had a ratio within a class of property below 90 percent since 1971.

1973-79 All counties appraised or adjusted values of most properties annually as a result of ratio studies and the six-year appraisal cycle. Statewide appraisal equity was the best it had ever been, and Oregon's ad valorem tax program was the recognized leader nationwide.

- 1975-78 Rapid inflation caused dramatic increase in budgets for local districts resulting in increased property taxes. The tax increase, and passage of Proposition 13 in California created taxpayer dissatisfaction with Oregon's property tax system.
- 1979 Legislative enactment of HB 2540, a property tax relief measure. This legislation also abolished the 100 percent of true cash value standard and created a variable true cash value/assessed value rate. Simply stated, whatever the increase in true cash value, the statewide assessed value could increase by no more than 5 percent annually.
- 1983 To help address problem of limited staff and to modernize mass appraisal program, legislature adopted statute which allows counties to use computer assistance for appraisal. Provided for department to set standards and monitor programs.
- 1985 Legislature returned Oregon to 100 percent of true cash value standard.
- 1980-86 Economic decline - severe cuts in O & C (federal timber) funds to western Oregon counties because little timber was being harvested. These cuts, as well as the bleak economic conditions statewide, forced drastic budget and staff reductions in most Oregon counties.
- 1987 Legislature moved responsibility for appraisal of industrial plants over \$5 million in four categories to Department of Revenue.

SECTION 4

Background on the Elements of an Assessment Program

To fully understand the problems that plague Oregon's property tax system, it is necessary to understand the fundamental concepts of the property tax, and the basics of an assessment program.

Introduction to the Property Tax

So often when we look at the property tax system, we lose sight of the real reason it is here. The reason is to provide financing for local government services desired by voters in each jurisdiction. These include protection of people and property, in the form of police and fire departments, schools, libraries, streets, parks, public health, and a multitude of other services desired by the public.

The primary source of funds for providing these services is the property tax. There are many good reasons why these services are funded by the property tax. One of these is local control; another is the direct relationship between services and cost. In other words, services such as protection, streets, schools, etc., are directly related to the property served, and/or the people living on the property.

Another reason that the property tax is the mainstay of local government is that the services of local government are needed both in good times and bad. The property tax is one of the most stable taxes, being based on the value of property which fluctuates far less than the base for income or sales taxes.

Although the benefits of local government and their costs cannot be related directly to the value of property, the value of one's property is the best measure of benefits received.

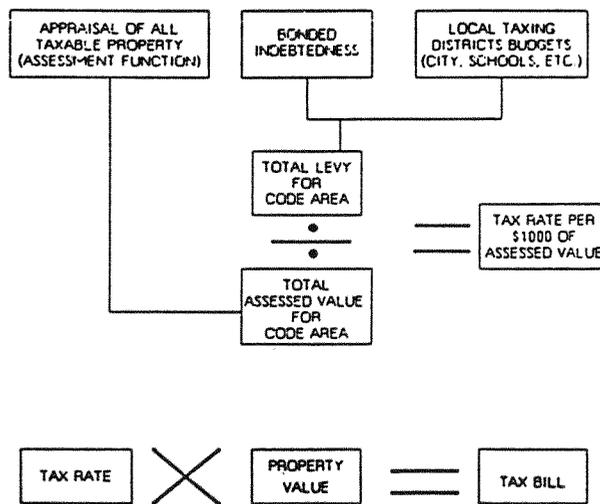
The actual amount of property tax that an owner of a specific proportional property will pay is determined by two factors. First, the relationship of the specific property value to all property value of the taxing district. Second, the amount of levy approved by the voters of the taxing district. Thus, if a property's value is 1 percent of the value of the taxing district it will be liable for 1 percent of the levy approved by the voters.

The tax is the total of all levies, approved by the voters to provide services for the area in which the property is located. With few exceptions, property tax levies are a combination of various rates for different functions of local government. There is a levy to cover the cost of county functions. If the property is inside a city, there is a levy for city services. All property is also located within a school district and there is a school district levy. In addition, there may be other levies such as lighting districts, water districts, fire districts, road districts, etc., depending on the services desired by voters in the area.

All of these levies are added together to arrive at the total levy for the area (tax code) in which the property is located.

In Oregon, most of the value (assessed value) of the area is determined by the county assessor while some properties such as large industrial, utility, and railroads, are determined by the Department of Revenue. This is accomplished by appraising or adjusting the properties to arrive at an estimate of true cash value for all properties as of January 1 of each year.

The total levy for the area is then divided by the total value in the area to arrive at a tax rate. The tax rate is then applied to the value of each property to determine the amount of property tax for the specific property.



Assessment Program

Basic to the property tax system is the assessment program. In Oregon, the functions of the assessment programs are primarily performed by the county assessor.

The assessor is responsible for discovering, listing, and valuing all taxable property. This includes both real and personal property.

A summary of the duties of the assessor are:

1. Location and identification of all taxable property in the jurisdiction.
2. Inventory of all taxable property, including quantity, quality, and important characteristics.
3. Determination of the taxability of each property.
4. Estimation of the market value of each taxable property.
5. Preparation and certification of the assessment roll of the entire jurisdiction.
6. Notification to the owners of the assessed value of their property.
7. Upon appeal by the property owner, appearance and defense not only of the value of the property, but also of the methods used to establish value.
8. Repetition of all these steps annually.

Location and Identification

To accomplish the initial task of locating and identifying all property, the assessor must have an adequate mapping system which shows each and every parcel of land. Without adequate mapping it is impossible to verify that all land is discovered and size calculations are correct.

After property has been discovered, the assessor must be able to describe it in order to make an assessment. This is achieved through a parcel numbering system in which each property is assigned its own unique identifier.

Inventory of all Taxable Property

The inventory of land, buildings, and other improvements attached to the land requires on-site inspection of each parcel in the jurisdiction. At the time of this inspection, the assessor records pertinent data regarding the buildings and other improvements and the land, such as size, quality, condition, etc.

The inventory of personal property normally requires two steps. First the property owner files a return with the assessor detailing any personal property that may be taxable. Then the assessor audits the property owner's records and should make a physical inspection of the property.

Taxability of Each Property

The next step is to classify property according to its legal category to ensure it is properly taxed as statutorily required.

In Oregon, the classes are generally:

1. Real Property
 - a. land
 - b. improvements
2. Personal Property
3. Mobile Homes
4. Utility Property
5. Exempt Properties

In addition, there are sub-classes to further identify property. A complete listing of the sub-classes are contained in the Addenda.

Valuation of Property

Having located, identified, and classified each property, the assessor must determine the value of each property. Because of the size and complexity of the valuation of property for assessment

purposes, and the overriding necessity for uniformity of value, the valuation of property is accomplished through the use of a mass appraisal concept. A detailed outline of the mass appraisal program is contained in the Addenda.

However, the concepts of appraisal theory are the same for mass appraisal and private appraisals made on individual properties. Not only are the concepts the same, but the target of market value is identical.

Annual Updating of Values

Oregon statutes require that each property be valued as of January 1 of each year. Because of the volume of properties involved, the cost of reappraising each property each year would be prohibitive. Therefore, only a portion of the properties (in most counties one-sixth) are actually physically appraised each year. The balance of the properties are "trended" by percentage adjustments so that all properties will be at the same value level. This trending is accomplished by the use of a statistical sales ratio study which compares the assessed value of all sold properties, by class, to the actual selling price for those properties. The factors derived from this comparison are then applied to all properties by class and area to adjust the properties to the current market value level.

Valuation Review and Appeal

Because the result of each appraisal made for assessment purposes is a tax bill, the property owners understandably have more than just a nominal concern for the appraised value of their property. Because of this concern and because appraising is not an exact science, there will be many disagreements as to the final estimate of value.

In Oregon, the statutes require that whenever the true cash value of a property is increased more than \$1,000 or 5 percent, whichever is greater, the property owner must be notified of the increase.

If the owner is dissatisfied with the value found by the assessor, there is a specific appeal procedure.

The steps in appeal procedure are as follows:

1. Appeal to the County Board of Equalization.
2. Appeal to the Department of Revenue.
3. Appeal to the Tax Court.
4. Appeal to the Supreme Court.

This appeal procedure ensures that every property owner has the opportunity to make sure that their property is valued in conformance with its actual market value.

Preparation of the Assessment Roll

The product of the assessors' work is an annual assessment roll. This forms the basis for the levy of taxes to collect the monies necessary to fund local government services.

The assessment roll includes all real and personal property and contains the owner's name, parcel number, and value of all land, improvements, personal property and exempt property. Also included is a tax code area number which identifies the taxing districts in which the property is located.

The roll is required to contain sufficient information about each property so that it can be readily identified, which districts levy taxes against it, the assessed value, whether or not the property is granted an exemption, or has back taxes liened against it.

Calculating the Tax

It is also the assessors' duty to calculate the tax rate. There are many detailed computations that are involved with the actual calculation of taxes. The steps involved in the process of doing the tax calculation are:

1. The assessed values of each code area is distributed to the individual districts.
2. The value of the district is computed.
3. Tests are made to determine if levies are within constitutional and statutory limits.

4. The levy to be used in determining the tax rate is computed.
5. The tax rate for each district is computed.
6. All of the district tax rates within a code area are consolidated to give a code area rate.
7. Control tests are run. These tests check to see that the total of taxes extended by code area equals the total of taxes extended by districts.
8. The district percentages of tax collections distributed to districts is computed.
9. The certificate of taxes is completed and the tax statements are run.

Once the taxes are established, the roll is given over to the tax collector for collection. The assessment roll at this point becomes the tax roll.

Role of the Tax Collector

It is the responsibility of the tax collector to actually collect the taxes levied against each property. A summary of the duties of tax collection are:

Turning the "Roll": By October 15 of each year, the county assessor of each county must take the assessment roll upon which has been calculated the amount of tax to be charged against each piece of property in the county. Then, the county assessor gives it to the county tax collector so the taxes each local district is levying can be collected.

Collecting the Tax: Fifteen business days before November 15, the county tax collector is to mail a tax statement to each person on the tax roll who is being charged a tax. This tax statement must show certain information as required by law. The Department of Revenue is required to furnish sufficient tax statements to each county to allow them to bill the taxes. If the people pay their full tax bill by the 15th of November, a 3 percent discount on their total tax bill is allowed. All

of the taxes that are collected are deposited into a special account held by the treasurer of each county called the "unsegregated tax account." From this account taxes are distributed to the local taxing district.

Distributing the Tax: The county tax collector prepares a percentage schedule of the ratio of taxes to be collected for each governmental unit compared to the total of such amounts for all the governmental units in the county. This ratio is then applied to the total dollars in the unsegregated tax account and given to the taxing districts. From October 21 through December 31, these dollar distributions are made each week. From January 1 through October 20, the distribution is made on a monthly basis.

Addenda

Property Tax Exemptions
Exempt Value: January 1, 1986*

	<u>Value in Dollars</u>
I. Exemptions to Preserve the Environment	5.2 million
A. Farm-use assessment	5 billion
B. Historic property	100 million
C. Open space	50 million
D. Pollution control facilities	40 million
E. Alternate energy systems	10 million
II. Exemptions to Encourage or Preserve Business	18 billion
A. Timber	8.5 billion
B. Inventories	6.6 billion
C. Agricultural property	1.6 billion
D. Watercraft and ship repair	500 million
E. Commercial facilities	200 million
F. Licensed personal property	100 million
G. In lieu tax payments	100 million
H. Other	100 million
III. Exemptions to Preserve Social Welfare	2.6 billion
A. Religious organizations	1.2 billion
B. Literary, charitable, etc.	800 million
C. War veterans	250 million
D. Fraternal organizations	150 million
E. Burial grounds	100 million
F. Other	100 million
IV. Other Exemptions	128.8 billion
A. Intangible personal property	65 billion
B. Public property	50 billion
C. Motor vehicles	11 billion
D. Tangible personal property	2.7 billion
E. Other	100 million
 Total Exempt	 154.6 billion
Total Taxable	82.9 billion

* Approximate values

Property Classification

The property classes established by statute must be used to organize the data. These classes are:

1-0-0 Residential land only is an unimproved property that has residential use as its highest and best use.

1-0-1 Residential property is an improved property that has residential use as its highest and best use.

2-0-0 Commercial land only is an unimproved property that has commercial use as its highest and best use.

2-0-1 Commercial property is an improved property that has commercial use as its highest and best use.

3-0-0 Industrial land only is an improved property that has industrial use as its highest and best use.

3-0-1 Industrial property is an improved property that is a single plant or complex of properties engaged in manufacturing, processing or warehousing a product. Examples include wood products, fiber products, flour, feed, mineral, food, beverages, textiles, petroleum and metal.

4-0-0 Tract land only is an unimproved acreage where the highest and best use is other than farm, range or timber production, and which usually offers a potential for further development.

4-0-1 Tract property is an improved acreage where the highest and best use is other than farm, range or timber production, and which usually offers a potential for further development.

5-0-1 Farm and range property consists of land or land and buildings and is property where the highest and best use is for the production of agricultural crops, the feeding and management of livestock, dairying, any other agricultural or horticultural use, or any combination thereof.

5-0-2 Farm and range zoned property consists of land or land and buildings located within an exclusive farm-use zone which is assessed as farm-use land.

5-0-3 Farm and range unzoned property consists of land or land and buildings assessed as unzoned farm-use land.

6-0-0 Forest land only in Western Oregon consists of land whose highest and best use is for the growing and harvesting of trees of a marketable species and land which has been designated as forest land under provisions of ORS 321.257.

6-0-0 Forest land only in Eastern Oregon consists of land whose highest and best use is for the growing of trees of a marketable species and land which has been designated as forest land under provisions of ORS 321.405, 321.420, 321.805, 321.810, 321.815 and 321.820.

6-0-1 Forest property means property which is predominantly forest land as defined above, but also includes land assessed at other than forest land value and improvements, such as farm buildings and residences.

7-0-0 Multiple housing land only is an unimproved property that has multiple housing (five or more living units) as its highest and best use.

7-0-1 Multiple housing is an improved property that has multiple housing (five or more living units) as its highest and best use.

8-0-0 Recreation land only is an unimproved property that has recreational use as its highest and best use.

8-0-1 Recreation property is an improved property that provides recreational opportunity as its highest and best use.

THE MASS APPRAISAL PROGRAM

Due to the large number of properties that must be appraised for assessment purposes it would be impractical to make a detailed, narrative type of appraisal on each property. Instead a method of appraising on a volume or "mass" basis has been developed. When properly used the mass appraisal method will, with few exceptions, give the same results as an appraisal made on an individual basis.

Basically the same methods and procedures used for an individual appraisal are used in mass appraising, although the application may be somewhat different. Appraisals made on an individual basis generally involve direct comparison between the subject and specific properties. In mass appraisal work a large volume of data is available to the assessor's office. This mass of data (sales, income and expense data, and construction cost information) is developed into value indicators, or base unit values, for each property type within an appraisal area. When the base unit value is applied to a specific property, and modified by the adjustments applicable to that individual property, mass appraising takes on the nature of direct comparison. The advantage and reason for using the mass appraisal system is to obtain accurate value estimates at a relatively low cost.

PROPERTIES TO BE APPRAISED

The beginning point for any appraisal program is to determine the properties to be appraised. ORS 308.234 requires that each parcel of real property shall be appraised at least once every six years. Therefore the properties to be appraised in any one year should comprise at least one-sixth of the appraisal workload in the county. However, an appraisal program which provides for each property to be appraised more often than the six-year requirement will result in a superior level of market value estimates, and is recommended.

ESTABLISHING THE APPRAISAL CYCLE

Some of the factors to be considered in establishing the appraisal cycle are population growth, value changes, number of accounts, and available manpower. In a county with a rapid population growth and/or value increase the need for more frequent appraisals corresponds directly with the amount of change. But even though a very rapid change may indicate the need for say a two-year cycle, setting such a program for an appraisal staff which does not have the manpower needed to accomplish the reappraisal of the properties within that period would create more problems than it would solve. In this respect the appraisal cycle must have a balance between available manpower and volume of work to be done each year.

Therefore, a realistic appraisal cycle should be established which will provide adequate time for a comprehensive appraisal program in each area. This could be a four-, five-, or six-year cycle depending on the number of accounts and the size

of the appraisal staff. Those areas, or properties which are experiencing a rapid value change must be handled through an adjustment, or localized appraisal program until its next regular cycle year.

APPRAISAL AREAS

Interrelated with the appraisal cycle is the appraisal area. The county is divided into equal areas, one area for each year within the appraisal cycle. By equal areas it is meant areas with equal workloads. To determine equal workload areas, consideration must be given to the number and types of property in the county, distribution of each type, and relative difficulty of appraising the different property types. Also another factor is geographical distance. Allowance must be made for travel time to and from the appraisal areas and between properties within the area. Small tracts scattered throughout an area will require much more time per appraisal than an urban area with many similar properties in a relatively small area.

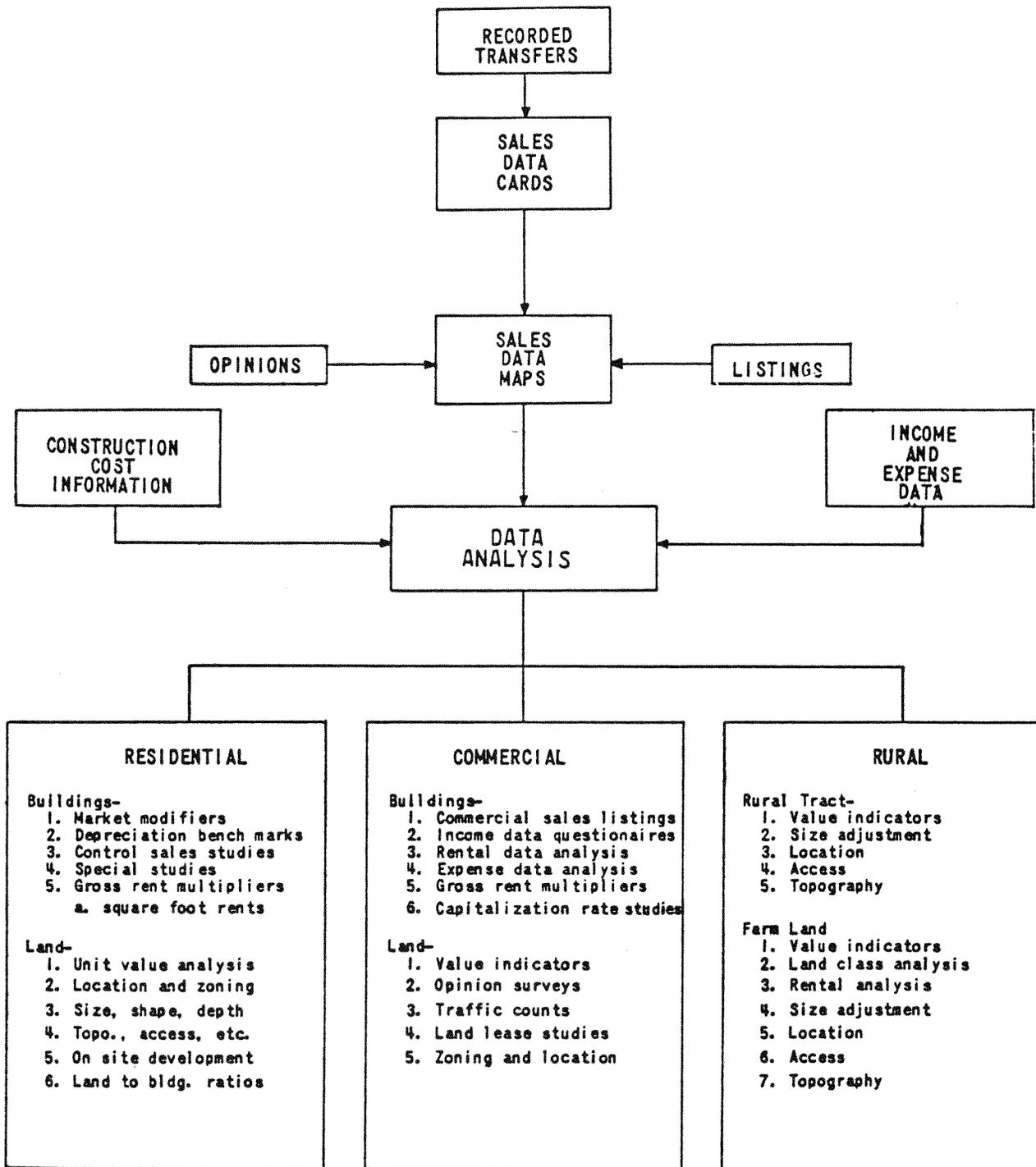
To establish both the appraisal cycle and appraisal areas consideration must be made of the following:

1. Total county work load
 - a. Total accounts
 - b. Number of accounts of each property type
2. Division of work load
 - a. Property class
 - b. Code areas
 - c. Natural boundaries
3. Time requirements
 - a. Time required to set-up valuation background data
 - b. Time required to appraise one unit of each property type

APPRAISAL WORK ESTIMATES

The base, and most accurate measure to use in estimating the time that will be required to complete the appraisal workload is the work report. Without knowledge of the time necessary to appraise a property of a particular type, it will be impossible to forecast, with any degree of reliability, the time and number of personnel that will be needed to complete the appraisal of the properties in an area. Also, work reports will provide a means of assuring that the appraisals will be completed within the allotted time. By keeping track of the number of appraisals completed in each time period it will be possible to establish the need for appraisers in a particular area before it becomes a trouble spot.

APPRAISAL DATA FILE



5. Construction cost data
 - a. Current construction costs of structures and components.
6. Income and expense information
 - a. Income questionnaires
 - b. Gross rent multiplier studies
 - c. Capitalization rate studies
7. Land data
 - a. Rural soil maps, aerial photos, land production records, climate & rainfall information
 - b. Urban land use maps, facilities, zoning and building restrictions.
 - c. Tabulations of confirmed sales of vacant parcels
 - d. Tabulations of land rentals, urban and rural
 - e. Tabulations of opinions of value, asking prices, etc.
8. Building data
 - a. Tabulations of confirmed sales of improved properties
 - b. Tabulations of depreciation benchmark studies

BASE STANDARDS

An appraisal is an opinion of value which is formed by a mental process that considers physical and economic value influences as indicated by sales, costs, and income value indicators. Therefore, appraising includes a large number of variables that must be considered in the valuation of each property. For mass appraising these variables are measured and standards for application to individual properties are developed. This method will not only promote sound market value estimates, but also equality between properties.

The base standards are developed through analysis of the basic information contained in the data file. The following list illustrates some of the items which would be considered base standards.

1. Base Units of Value
 - a. Urban land values by front foot, square foot, or site
 - b. Rural land value by acre classification
 - c. Current unit cost factors for specified building classes
 - d. Gross Rent multipliers
 - e. Benchmark properties
 - f. Income and expense data
2. Base Adjustment Factors
 - a. Depth, size, shape, and location factors
 - b. Local construction cost modifiers
 - c. Depreciation schedule and tables

Once the base standards have been established they are applied to each property on a separate basis which takes into consideration the individual characteristics each property may possess. By utilizing this approach the value indicators can be uniformly applied to a mass of properties in adherence to the accepted appraisal methods and procedures.

PLANNING THE MASS APPRAISAL PROGRAM

In planning the mass appraisal program each appraisal area can be considered as one property, made up of many individual parts. In this way the planning of the program takes on the character of an individual appraisal problem and can be formulated in the same manner as an appraisal plan.

A. Define the Appraisal Problem

1. Establish the property to be appraised.
The county is divided into 4, 5, or 6 equal workload areas depending on the appraisal cycle. The areas should be established so that each area will require approximately the same manpower to appraise within its division of time as any other area.
2. Value to be Determined
 - a. Market Value.
Under ORS 308.205 all properties must be appraised at market value. However, in some cases, such as farm-use properties true cash value as provided by statute for the particular property type, is the value determined.
3. Establish the Effective Date of the Appraisal.
 - a. The assessment date for which the appraisal is being made.

B. Make the Preliminary Study

1. Estimate the Amount of Work to be Done

The basis for estimating the work is the number of accounts and types of properties in the area.

The number of accounts and property types within an appraisal area can be estimated from the Property Classification of the Assessment Roll as required under ORS 308.215.
2. List the Available Personnel
The number of clerks available for research and clerical functions, number of appraisers (time must be allocated for regular maintenance work, new construction, etc.), and if data processing available, the amount of work to be done by that equipment.
3. Estimate Data Requirements
Depending on the type of property involved, includes cost, income and market information as basic data. Urban areas may need special information for industrial property, growth trend, zoning, etc. Farm properties will include production records, expense data, irrigation costs, etc.

C. Outline Appraisal Plan

1. Appraisal Personnel Requirements

Based upon information from prior work reports the average time required to appraise one unit of each property type is established. The total number of units within each property type in the appraisal area is then multiplied by the average appraisal time required for one unit of that property type.

(400 units type 101 x 1.5 hours/unit = 600 hours or 75 man-days)

The total of the times required for each property type will yield the appraisal time necessary to complete the appraisal area. And, when related to the time available to appraise the area it will give an estimate of the manpower requirements.

Total time required for area = 1,575 man-days

Time available to appraise area = 178 days

$1,575 \div 178 = 9$ appraisers required to appraise the area

In setting the manpower requirement consideration must be given to vacation time, sick leave, holidays, etc.

2. Establish Progress check points
It will be necessary to periodically check the progress of the project to determine if work will be completed on schedule. This will allow for shifting of personnel as needed.
3. Assign work load
On the basis of the data and appraisal needs, establish personnel duties. Clerks should be assigned where possible to free appraisers for appraisal duties.

D. Develop Data for the Three Approaches

1. Collect basic data
Clerical personnel can be utilized to collect sales from the deed records, property owners via mail, listings in newspapers, etc. Appraisal personnel collect data by personal contact with property owners, brokers, managers, tenants, builders and developers.

E. Analyze Data

1. General Information
From business and population trends, indications of increases and decreases of values for areas within the county are noted. Trade journals will indicate trends for particular types of businesses. Zoning and building practices help establish neighborhood patterns.
2. Base Standards.
 - a. Factor Book Modifier
Information from builders, sales of new homes, building supply houses and government indexes are used to establish a local cost modifier to use with the cost factor books.
 - b. Depreciation Benchmarks
Sales, costs, and published tables are analyzed and developed into

local guides to depreciation to be used on various types of improvements.

- c. Class and Market Benchmarks
Sales are developed into indications of class and market indicators for base standards.
- d. Income and Expense Guides
Information gathered from income properties is tabulated in order to establish economic rents and typical expenses.
- e. Capitalization Rates
Sales are analyzed to establish the interest rate applicable to investment properties. Recapture and tax rates are established.
- f. Gross Rent Multipliers
Sale to income relationships are analyzed to determine GRMs to be used on various properties.
- g. Basic Unit Values
From sales analysis, opinions, land residuals, unit values for the various types of properties are set.

F. Application of the Data

1. Three Approaches

The basic data applicable to each of the three approaches to value is converted into base units and adjustment factors and are used to develop the final estimate of value for each property being appraised.

G. Correlation

1. Correlation of the mass appraisal program includes review by the supervising appraiser, ratio studies of the area involved, and comparison between properties to establish that uniformity at market value has been achieved.

H. Final Estimate of Value

1. Taxpayer Notification

The assessor is required, under ORS 308.280, to send notice to the taxpayer whenever any separate assessment of real property is increased by more than \$1000 or five percent, whichever is greater, over the preceding year. Normally it will be necessary to send out many taxpayer notices at the completion of each appraisal area. However, if a proper method of appraising has been done, with valid supporting data and a continuing public relations program, taxpayer resistance to the final value estimates should be lessened.

2. Appeals

When setting the time allocation for the appraisal program, provisions must be made for appraiser and clerical time that will be necessary to respond to taxpayer inquiries and appeals.

It is expected that any reappraisal program will produce a certain number of appeals. However, with documented supporting data the time necessary to respond to the appeals will be substantially reduced.

Tax Levy Limitations

Constitutional Limits Governing Tax Levies

The limits contained in Article XI, Section 11 of the Oregon Constitution deal with levies within tax bases and levies outside of tax bases. It also defines how to compute a tax base limitation when an annexation occurs. Please refer to the section on tax base levies for more detailed information on constitutional tax base levy limitations.

Newly Formed Districts

The first levy of a newly formed district must have voter approval to be levied. This first levy does not automatically establish a tax base. In order for a district to establish a tax base, it must hold an election in a primary or general election in an even-numbered year specifically for the purpose of establishing a tax base. The election must comply with ORS 310.402. Any levy that is not within a tax base must receive voter approval every year before it can be levied, except serial levies approved in a prior year and levies for bonded indebtedness.

Statutory Limitations on Levies

Many municipal corporations are subject to statutory limitations as well as constitutional limitations. The statutory limit establishes the maximum levy even though the approved tax base might produce a larger tax. ORS 310.070 prohibits the assessor from extending any district's levy onto the tax roll that is in excess of statutory and constitutional limitations. This means that the maximum levy of a municipal corporation, subject to both the constitutional and statutory limitations, is the lesser of the tax base or the levy authorized under the statutory limit. Municipal corporations should refer to the "Levy and Bond Limitations of Municipal Corporations" table contained in this manual for the Oregon Revised Statute that limits their levy and for the limitation amount. The limitation amount is listed as a percent of true cash value.

NOTE: A district can't levy a tax within these statutory limitations without a sufficient tax base or the approval of a majority of voters voting at an election called for that purpose.

Bond Levy Limitations

Approval of a general obligation or Bancroft bond issue by the voters of a municipal corporation generally carries with it the authorization to levy taxes for the payment of bond principal and interest. There is no authorization, however, for a municipal corporation to levy a tax in excess of the amount necessary to meet the principal and interest obligation of a single fiscal year plus any "unappropriated ending fund balance" necessary to meet principal and interest obligations from July 1 until the receipt of the first tax turnovers of the following year. An estimate of taxes not to be received must also be included in this total levy.

If a municipal corporation has other resources available to its debt service fund to meet principal and interest payments, only enough taxes necessary to meet remaining payments (after applying all other available resources) may be levied.

Municipal corporations with questions about their bonding authority and limitations should refer to the Oregon Revised Statute under which they were organized and their charter.

LEVY AND BOND LIMITATIONS OF MUNICIPAL CORPORATIONS(1)

<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
1. Agricultural Chemical Protection Area (see Pesticide Control #23)	(Repealed by 1973 C. 341, Section 37)	
2. Airport District	L: 1/2 of 1% (.005) of T.C.V. B: General obligation; 10% of T.C.V. B: Revenue; Constitutional limit only B: Refunding; Constitutional limit only	494.110(1) 494.120 494.120 494.140
3. Area Education District	(See community colleges)	341.437
4. Artesian Well	(Repealed by 1957 C. 38)	
5. Cemetery	L: 3/40 of 1% (.00075) of T.C.V.(2) B: No power to issue	265.140(9)
6. Cherry Fruit Fly	L: No power to levy; costs certified to tax collector B: No power to issue	570.430
7. Cities	L: Constitutional limit only B: 3% of the T.C.V. after deducting from outstanding bonds such cash funds and sinking funds as are applicable to the payment of the principal thereof B: Bancroft Bonding Act. Total city debt including Bancroft Bonds, but excluding municipal utility bonds, not to exceed 9% of the latest T.C.V. of the city or limited to 3% of latest T.C.V., whichever is the greater Debt: Unless voter authorized, \$5,000 floating debt limit	287.004 223.295 221.410
A. Advertising and Publicity	(Repealed by 1981 Ch. 288)	
B. Community Houses	L: Requires special vote B: Requires special vote	276.732 276.732

<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
C. Parking Facilities	L: Constitutional limit only B: General obligation or revenue bonds within legal debt limitations	223.825 223.825
<u>NOTES:</u> (1) Municipal corporation levies are subject to both constitutional limitations (Article XI, Section 11) and statutory limitations.		
(2) T.C.V. = True Cash Value: ORS 308.207 governs the computation.		
D. Sewer Systems	B: Constitutional limit; requires voter approval or order from the circuit court	224.232
E. Irrigation and Fire Protection	B: Not included in other limitation if less aggregate amount of bonds, less sinking funds, and cannot exceed 2 1/2% of T.C.V.	225.380
F. Park Commission	L: 1/2 mill (.0005) of value on roll	226.200
(1) Park Property	L: 1/2 mill (.0005) of value on roll; requires voter approval	226.220
8. Co-op Telephone	(Repealed by 1969 C. 12).	
9. Community Colleges, General Fund	L: Constitutional limit only B: 1-1/2% (.015) of T.C.V.	341.305 341.675
10. Counties	L: Constitutional limit only B: Debt not to exceed \$5,000 B: Bonded indebtedness not to exceed 2% of T.C.V.; voter approval	Art. XI Sec. 11 Art. XI Sec. 10 287.054(2)
A. Countywide Levies	B: No power to issue bonds unless noted below	
(1) Agricultural Expert	(Repealed by 1983 C. 537)	
(2) Promotion and Advertisement of County Resources	(Repealed by 1981 C. 41)	
(3) County Fair Maintenance	L: 1/160 of 1% (.0000625) of T.C.V.	565.330
(4) Courthouse Construction	(Repealed by 1981 C. 126)	
(5) General Road Fund	L: 1/4 of 1% (.0025) of T.C.V.	368.705
(6) Historical Society	L: 1/40 of 1% (.00025) of T.C.V.; outside Art. XI Section 11 and Local Budget Law	358.180(2) 358.190

<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
(7) Hospital (a) Nursing Home	(Repealed by 1981 C. 45)	
(8) Indigent Veterans	L: 1/80 of 1% (.000125)	408.720
(9) Market Road Purposes	(Repealed by 1973 C. 240, Section 1)	
(10) Predatory Animal Bounties	(Repealed by 1981 C. 95)	
(11) Public Assistance (Welfare)	(Repealed by 1969 C. 45)	
(12) School Fund	L: A county shall provide annually by levy an amount at least equal to the lesser of: (1) The minimum amount it was required to levy for the purposes of the county school fund in the tax year 1965-66; or (2) Ten dollars per capita for all children within the county between the ages of 4 and 20 years, determined pursuant to ORS 190.510 to 190.610.	328.005
(13) Unforeseen Contingency in Counties over 50,000	(Repealed by 1983 C. 537)	
B. Counties; special areas	L: District self-administered, or levy approval by County Court	
(1) Diking District	L: Constitutional limit; must be used for maintenance and debt retirement	551.100(2)
(2) Drainage Road Assessment	L: No power to levy ad valorem tax. Limited to acreage assessment on a benefited basis at maximum of \$1.00 per acre.	371.065
(3) Flood Control District (Island School District)	(Repealed by 1969 C. 50)	
(4) Island Bridge District	(Repealed by 1969 C. 50)	
(5) Island Road District	(Repealed by 1969 C. 50)	
(6) Road Assessment District (counties of 19-25,000 only)	L: 1/4 of 1% (.0025) of T.C.V. plus 1/4 of 1% (.0025) of T.C.V. upon voter approval in an annual election	371.500

<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
(7) Road District	L: 1/4 of 1% (.0025) of T.C.V.; requires voter approval	371.095
(a) Special road district	L: 1-4 of 1% (.0025) of T.C.V.	371.336
(8) Service District	L: Constitutional Limitation	451.547
(a) Facilities	L: 50 cents per year per \$1,000 of T.C.V. for a period not to exceed 5 years	451.540
	B: Aggregate outstanding bonds not to exceed 13% of T.C.V.; voter approval	451.545
(9) Vector (mosquito) Control District	L: 2/10 of 1% (.002) of T.C.V.; in lieu of, or in addition to its own levy, the district may ask the county to levy the same limitation.	452.153 452.160
(10) Weed Control	L: Constitutional limit only	570.560
(11) Wind Erosion Control District	L: Constitutional limit only	568.880
(12) Zoning District	(Repealed by 1971 C. 13)	
(13) Zone 2 Fire Patrol	L: 1/4 of 1% (.0025) of T.C.V. plus special levy of 1/4 of 1% in addition to above; requires voter approval	476.330
	B: 1-1/4% (.0125) of T.C.V.	476.330
11. Drainage District	L: No power to levy ad valorem tax (acreage-assessment basis)	547.455 547.475 547.480 547.485
	B: Regular bonds; no limit	547.555
	B: Funding bonds; may be issued only if total debt exceeds \$3.00 per acre	547.605
12. Education Service District	L: Grant, Harney, Wallowa, and Wheeler Counties	334.390
	L: All other counties with Education Service District	334.270
	B: No power to issue	
13. Forest Protection District	L: No power to levy ad valorem tax (acreage-assessment basis)	477.270 477.295
	B: No power to issue	
14 Grasshopper Control District	(Repealed by 1969 C. 13, Section I)	
15. Health Districts	L: 1/4 of 1% (.0025) of T.C.V. plus amount for bonds and interest	440.395
	B: 2-1/2% of T.C.V. if population under 300; 10% of T.C.V. if over 300	440.375

	<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
16.	Highway Lighting District	L: No power to levy ad valorem tax. May levy assessments upon all real property on any reasonable basis. Limit is \$1.00 per year per front-foot. May also levy a special assessment to pay initial construction and installation cost B: No power to issue	372.170
17.	Insect and Disease Control	L: No power to levy ad valorem tax (cost-assessment basis) B: No power to issue	527.360
18.	Irrigation District	L: No power to levy ad valorem tax (acreage-assessment basis) B: No limit; requires voter approval	545.432 545.192
19.	Mass Transit	L: Constitutional limit only B: 2-1/2% of T.C.V. B: Revenue bonds; need voter approval	267.305 267.330 267.335
20.	Metropolitan Service	L: 1/2 of 1% (.005) of T.C.V. plus amount for bonds and interest B: 10% of T.C.V. B: Revenue bonds, voter approval not required	268.500 268.520 268.600
21.	Park and Recreation District	L: 1/2 of 1% (.005) of T.C.V. plus amount for bonds and interest B: 2-1/2% of T.C.V.	266.420 266.540 266.512
22.	People's Utility District	L: 1/20 of 1% (.0005) of T.C.V. The accumulated percentages for the 10-year period over 10 successive years shall not exceed 1/4 of 1% (.0025). No levy after 10 years B: Revenue; so conditioned as to be paid from sale of water, water power, and electricity B: General obligation; 2-1/2% of T.C.V.	261.385(1) 261.385(3) 261.355 261.360(2)
23.	Pesticide Control	L: 1/40 of 1% (.00025) of T.C.V. B: No power to issue	634.242
24.	Port Districts		
	A. Generally	L: 1/4 of 1% (.0025) of T.C.V. plus amount for bonds and interest B: 2-1/2% of T.C.V. When emergency exists, issue up to \$50,000 in any 12-month period without voter approval	777.430 777.470 777.410
	B. Bond Sinking Fund	B: 1/10 of 1% (.0010) of T.C.V.	777.520
	C. Bridge Bonds	(Repealed by 1971 C. 728, Section 138)	

<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
D. Port Hospital	L: May levy for operation of hospital. Limited by and included in 24-A above (Port Districts, Generally)	440.505
E. Water Transportation	B: 1/4 of 1% (.0025) of T.C.V.; requires voter approval	777.725
25. Port of Portland	L: Constitutional limit only B: 1-3/4% of T.C.V.; no more than \$3 million in one year unless approved by voters	778.065 778.030 778.045
26. Public Library	L: Constitutional limit only	357.410(6)
27. Rural Fire Protection District		
A. Fire Purposes	L: Constitutional limit only B: 1-1/4% (.0125) of T.C.V.	478.410 478.410
B. Road Lighting	L: 1/10 of 1% (.001) of T.C.V. L: 1/4 of 1% (.0025) of T.C.V.; additional upon voter approval	478.450
28. Sanitary Authorities	L: Constitutional limit only B: No limit (to be submitted to voters for approval)	450.885 450.867
29. Sanitary Districts	L: Constitutional limit only B: 13% of T.C.V. B: 15% of T.C.V. (when sold to State Treasurer)	450.170 450.120 450.303
30. School Districts	L: Constitutional limit only B: Aggregate amount shall not exceed 55/100 of 1% (.0055) of T.C.V. for each grade kindergarten to 8; 3/4 of 1% (.0075) of T.C.V. for each grade 9 to 12 B: Negotiable interest-bearing warrants; require voter approval	328.542 328.245 328.213
31. Soil Conservation Districts	L: No powers of taxation except when authorized by the people. Constitutional limit only.	568.880
32. Television Translator	L: No power to levy ad valorem taxes B: Revenue bonds; no limit	354.685(2)
33. Water District, Domestic Supply	B: General obligation bonds (1) 2-1/2% of T.C.V. if population under 300 (up to 1/2 of 1% of T.C.V. without vote of people)	264.250

<u>Municipal Corporation</u>	<u>Levy (L) or Bond (B) Limitation</u>	<u>O.R.S. Reference</u>
	(2) 10% of T.C.V. if population over 300	
	B: Revenue bonds, no limit	264.260
A. Water Purposes	L: 1/4 of 1% (.0025) of T.C.V., plus amount for bonds and interest	264.300
B. Fire Purposes	L: 3/20 of 1% (.0015) of T.C.V.	264.340(2)(b)
C. Fire Purposes (special)	L: 4/10 of 1% (.0040) of T.C.V. (Special voter approval required)	264.340(2)
D. Street Lighting, Installation and Extension	L: 3/20 of 1% (.0015) of T.C.V.	264.350(3)
E. Street Lighting, Maintenance and Operations	L: 1/20 of 1% (.0005) of T.C.V.	264.350(3)
34. Water Control Districts	L: Special assessments 1/2 of 1% (.005) of T.C.V. in subdistrict. Levy shall be in lieu of assessments if used. Applicable only if district contracts with other government to do work.	553.510 553.710 553.730
	B: General limit; requires voter approval	553.610 553.620
35. Water Improvement	L: Maximum rate fixed upon creation of the district or as amended by voters	552.625
	B: 2-1/2% (.025) of T.C.V.	552.645
36. Weather Modification Districts	L: 1/4 of 1% (.0025) of T.C.V.	558.340

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