



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

## Board Clerk Use Only

Meeting Date: 10/2/14  
Agenda Item #: R.5  
Est. Start Time: 10:05 am  
Date Submitted: 9/24/14

**Agenda Title:** **Property Tax Equity Audit to the Board of Commissioners**

*Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.*

## Requested

Meeting Date: 10/2/2104 Time Needed: 30 minutes

Department: Non-Department Division: Auditor

Contact(s): Nicole Dewees

Phone: 85330 Ext.  I/O Address: 503/601

## Presenter

Name(s) & Title(s): Steve March – County Auditor, Nicole Dewees – Senior Management Auditor, Craig Hunt – Principal Auditor, Randy Walruff – County Assessor

## General Information

### 1. What action are you requesting from the Board? Board Briefing

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

In 1997, Measure 50 made extensive changes to Oregon's property tax system by creating permanent tax rates, reducing all properties' assessed values, and limiting their growth to 3% annually. As a result, Measure 50 decreased property taxes and controlled their future growth. Property taxes became more predictable for property owners.

However, Measure 50 sacrificed equity to achieve these gains. In an equitable tax system, each property owner pays taxes in proportion to the property's real market value. Because property taxes are disconnected from property values, some property owners pay disproportionately more taxes than others.

To illustrate the magnitude of these inequities in the current tax system, we recalculated property taxes based on real market values for every property in Multnomah County and compared them to existing taxes for tax year 2013-14.

We determined that if property taxes were based on real market values...

- Similarly valued properties would pay the same property taxes;

- Many residential property owners would pay less and commercial property owners would pay more;
- Tax inequities would not exist between neighborhoods; and
- Property taxes would decrease for most residential property owners in low-income areas.

**3. Explain the fiscal impact (current year and ongoing).**

N/A

**4. Explain any legal and/or policy issues involved.**

N/A

**5. Explain any citizen and/or other government participation that has or will take place.**

N/A

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**Required Signature**

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**Elected  
Official or  
Department  
Director:**

Steve March /s/

**Date:**

Sept. 24, 2014

*Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.*