

W. G. C.

March 17, 2004

County Commissioners
Public Service Building
125 E 8th Ave
Eugene, OR 97401-2968

Re: Lane County Assessment and Taxation Budget

Dear Commissioners,

As you discuss the needs of Lane County for the next fiscal year and develop the budget for your assessment and taxation program, I want to share with you the Department of Revenue's (the department) role and to offer our assistance in your budget process.

Pursuant to ORS 306.115 the department has the responsibility to oversee the statewide property tax system to ensure that all properties are taxed or are exempt from taxation according to the statutes and constitutions of the State of Oregon and of the United States. Within this authority we are also responsible for the administration of the County Assessment Function Funding Account, a program created by the legislature in 1989 to provide funding to counties to address the deterioration of the property tax system.

As you plan through this difficult economic and budgetary time, I would like to remind you how important a sound assessment and taxation function is to the stability of county revenues. Your financial commitment to the assessor and others connected with maintaining the assessment and taxation program will determine the level of support needed to keep your county's program healthy, while being respectful of other county needs. In many cases, the department is working with assessors' offices to identify critical areas and to prioritize needs for long-term stability and success.

It is our understanding that you may be considering reductions to staffing in the assessor's/tax collector's office. I believe that any additional reductions to the staff in these areas will damage tax programs to a point where the assessor/tax collector are incapable of maintaining their programs at a viable level, as required by ORS 308.232. In addition, these reductions will limit the ability of the county to maintain, or increase, revenues, which fund county, schools, and special districts' programs. At this time, any proposals for additional reductions to staffing in the assessor's/tax collector's office puts Lane County's Grant Funding at risk.

Grant Funding now accounts for approximately 36% of the entire taxation and assessment budget. The consequences of losing Grant Funding will have a significant effect on the county's resources, which we recognize are already strained. We would like to avoid this outcome.

Last year, we had concerns that any reductions in staffing or funding might seriously erode the county's ability to maintain taxable property records. We encouraged the

county to support the assessor's effective management efforts to maintain assessment programs. The county supported these recommendations.

At Lane County's current level of staffing, reductions to the clerical staff or temporary staff will result in immediate and serious damage to the assessor's ability to meet his statutory mandate. The areas of concern are in data entry of appraisals, personal property processing, and working various property transfers.

With regard to cartography, staffing appears to be on a par with that of other counties. Adequate cartographic service must be maintained to avoid creating a bottleneck in the workflow of the assessment and taxation programs. In time, as the GIS system becomes increasingly operational, loss of some staffing resource may be compensated for by the associated gains through GIS efficiency. We will continue to monitor this area.

Some administrative and support staff provide service to the assessor/tax collector, such as front line telephone staff who assist taxpayers and direct incoming calls. Even though some work in this area is not mandated, reductions here would not appear to create significant or sufficient overall cost-savings. Short of not answering the telephone, shifting this workload to appraisal staff results in even higher cost for the same service.

We all share a desire to provide the best service possible to Oregon's citizens according to the laws they have passed and within the resources they provide. As we face this challenge together, we each have our role to play. For our part, we intend to work closely with the assessor/tax collector to help develop and maintain effective programs, as our resources allow. It falls to you to secure adequate funding for these functions and to ensure that current sources of funds, such as Grant Funding, aren't lost.

Therefore, I urge you to support the assessor/ tax collector in his bid to maintain a viable taxation and assessment program at an appropriate level. It is, after all is said and done, the least costly of the available options.

I will be attending your board meeting on March 31, 2004 and I will be happy to discuss this concern and the requirements of Oregon law relating to the grant at that time. If you have any questions or would like to receive any information, please do not hesitate to contact me at 503-945-8381.

Sincerely,

Isabel Joslen
Assessment and Taxation Section Manager
Property Tax Division

Cc: Lane County Assessor/Tax Collector
Budget Officer