



January 2023

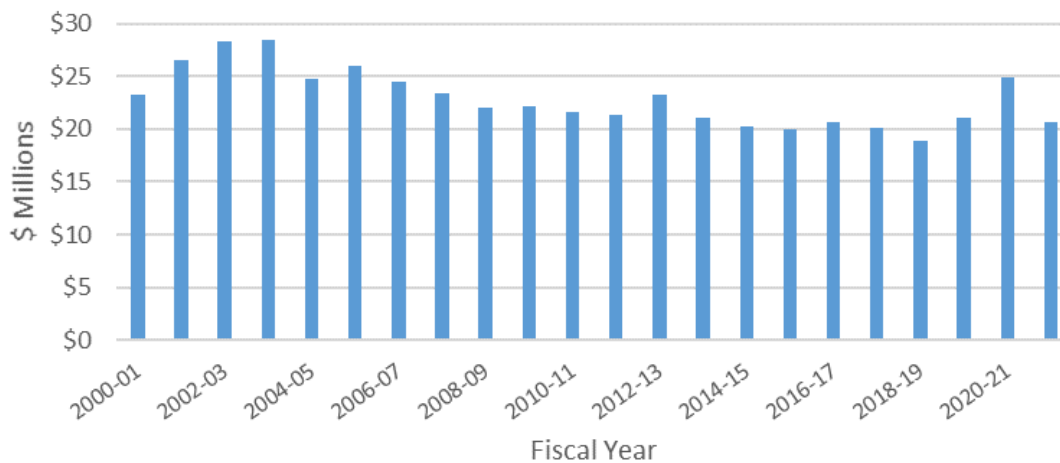
Legislative Revenue Office

160 State Capitol Building, Salem, Oregon 97301 | 503.986.1266

County Assessment Function Funding Assistance Account (CAFFA)

The 1989 Legislative Assembly enacted House Bill 2338 in response to statewide deterioration in the property tax system caused by a variety of factors, including a lack of local funding. This legislation established an annual grant program to help finance the process of assessment and taxation (A&T). Grant funding comes from document recording fees and a portion of the interest paid on delinquent property taxes. Each county turns over their share of the recording fees and interest from delinquent taxes to the Department of Revenue (DOR) which then redistributes these funds back to the counties for budgetary support of assessment and taxation. Grants also help support DOR's industrial and utility property appraisal responsibilities and other assessment and taxation system activities (up to 10% of funds are available to DOR). The chart below shows total deposits since FY 2000-01.

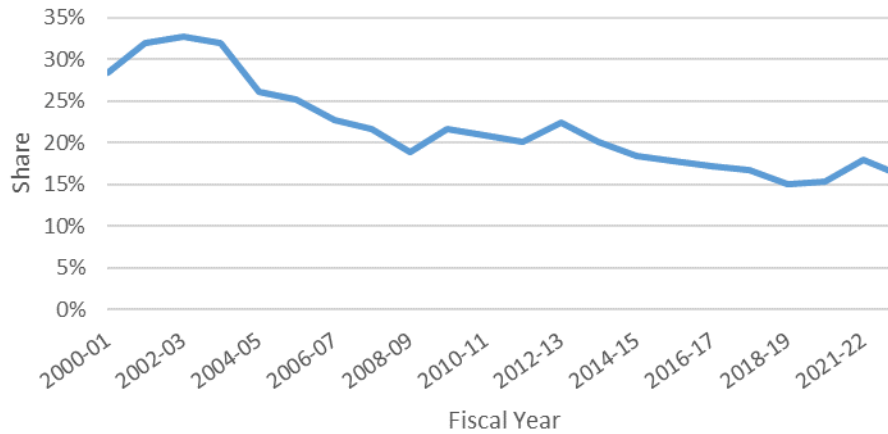
Total Deposits (\$ Millions)



To receive the grant, each county must annually apply to DOR, providing its preliminary budget for A&T expenditures. DOR reviews each application to determine if the county budget will provide the resources to adequately perform the necessary functions. If the proposed budget is inadequate, the department works with the county to improve the budget's adequacy.

Each county receives a share of the CAFFA grant funds based upon the percentage that their certified A&T budget bears to the total of certified county A&T budgets statewide. The CAFFA grant is funded through a combination of a portion of property tax delinquent interest and a \$10 dedicated document recording fee. Beginning in FY 1999-00, appropriations from the State General Fund were added to the CAFFA distribution (generally around \$5 million per biennium). FY 2008-09 was the last year a General Fund appropriation was made. During the 1990's, average CAFFA distributions represented approximately 22% of total statewide county assessment and taxation administration costs. This percentage peaked in the early 2000s and averaged roughly 26% during the 2000-2010 period. It has since declined to an average of 16 percent over the last five years. The following chart shows this history.

Distributions as Share of Expenditures



The following table provides a more detailed history at CAFFA deposits since FY01.

CAFFA Deposits by Fiscal Year and Source (\$Millions)					
Fiscal Year	Delinquent Interest	Recording Fees	Legislative App.	Total Deposit	% of A&T Costs funded by CAFFA
2000-01	\$12.7	\$8.1	\$2.5	\$23.3	28%
2001-02	\$14.0	\$10.1	\$2.5	\$26.6	32%
2002-03	\$14.1	\$11.8	\$2.4	\$28.3	33%
2003-04	\$13.5	\$12.4	\$2.5	\$28.4	32%
2004-05	\$11.7	\$10.5	\$2.5	\$24.7	26%
2005-06	\$12.2	\$11.3	\$2.5	\$25.9	25%
2006-07	\$11.9	\$10.2	\$2.5	\$24.5	23%
2007-08	\$12.3	\$8.5	\$2.6	\$23.4	22%
2008-09	\$12.9	\$7.2	\$2.1	\$22.1	19%
2009-10	\$15.1	\$7.0		\$22.1	22%
2010-11	\$14.9	\$6.8		\$21.7	21%
2011-12	\$14.7	\$6.6		\$21.3	20%
2012-13	\$15.6	\$7.6		\$23.2	22%
2013-14	\$14.9	\$6.1		\$21.0	20%
2014-15	\$13.9	\$6.4		\$20.3	18%
2015-16	\$12.8	\$7.1		\$20.0	18%
2016-17	\$13.2	\$7.4		\$20.7	17%
2017-18	\$13.0	\$7.0		\$20.1	17%
2018-19	\$12.5	\$6.3		\$18.9	15%
2019-20	\$13.2	\$7.7		\$21.0	15%
2020-21	\$15.2	\$9.7		\$24.9	18%
2021-22	\$13.1	\$7.5		\$20.6	16%

Data Source: Department of Revenue, Research Section