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Chair Nathanson, House Revenue Committee  
900 Court St NE, HR A  
Salem, OR 97301

January 25, 2023

Chair Nathanson and Members of the House Revenue Committee:

Multnomah County supports HB 2088, which increases funding for the County Assessment Function Funding Assistance program (CAFFA). Despite the fact that Multnomah County has the highest population of any county in the state, the highest assessed value at \$96 billion, and the highest real market value at \$202 billion, Multnomah County experiences challenges in funding county assessment and taxation (A&T) functions similar to other county governments.

Multnomah County's tax assessment staff have identified, inventoried and appraised over 300,000 property tax accounts on behalf of 65 taxing districts (schools, cities, utilities, public safety, etc.). County property tax collection staff have billed and collected over \$2.2 billion in revenue this year. The cost of these administrative services is \$23 million, or 1% of the total property tax levy for the current tax year. In the last decade, CAFFA grant funding has been reduced to less than 15% of Multnomah County's overall cost to administer this service. As a result, we contribute nearly \$20M annually to fund this service, or over 85% of the cost to collect these dollars, but we only keep roughly 19% of the revenue. No other district contributes financially to this work despite receiving their portions of the revenue.

Counties need stable funding for A&T administration. Currently, Multnomah County subsidizes the costs not covered by CAFFA with county general fund dollars. Those dollars, if not spent on this service, could go towards social safety net services that our residents rely on. It is imperative that we find a way to fund the CAFFA program and relieve some of the pressure that A&T places on county budgets. Asking jurisdictions that benefit from collection to contribute to the cost of collection is not without precedent. For example, Multnomah County currently pays just under 1% for the City of Portland to collect our business income tax.

We recognize that the bill in its current form, which directs other jurisdictions to contribute 3% of collected tax dollars, could create impactful budget challenges for these jurisdictions. And yet, the current funding structure for CAFFA and county A&T functions leaves counties to disproportionately fund tax collection that benefits many at the expense of providing services to our most vulnerable with precious county general fund dollars. It is time to update this system and create a more equitable and adequate funding source.

Sincerely,

Taylor Steenblock  
Multnomah County Government Relations