County Assessment and Taxation Data and Services: Impacts of Inadequate Funding on Real Estate Transactions and Development Timelines

Keeping county assessment and taxation records up to date helps ensure smooth real estate transactions and avoids delays in development timelines. When records are delayed or inaccurate, the effects ripple outward, disrupting the operations of realtors, title companies, lenders, buyers, sellers, and builders, as well as taxing districts.

Of particular importance to all parties, County A&T plays a crucial cartographic role in the creation of new tax lots. When a recorded plat is received from the surveyor's office, the parent tax lot is canceled and child tax lots are established. These new tax lots are then assigned a unique map and tax lot number, account number, acreage, and property class. If improvements exist on the parent tax lot, they must be allocated to the appropriate child account, ensuring the accuracy of property attributes. Additionally, deeds on new tax lots must be processed to guarantee that tax statements are issued to the correct owners.

Notable impacts of inaccurate and outdated data include the following:

- **New tax lots lacking assigned tax lot numbers and property tax accounts**. Tax lot numbers and property tax accounts are two vital components in real estate transactions. Without them, transactions experience significant delays.
- **A&T records not aligned with recorded information**. When maps, tax statements, and other documents are not updated promptly or accurately to align with recorded information, it can lead to significant issues including lengthy delays.
- **Lenders holding property taxes in escrow have no corresponding tax accounts to pay**. Lack of property tax accounts means lenders are unable to pay taxes owed, creating uncertainty and complications for lenders and homebuyers.
- **Sellers of parent tax lots still receive tax statements**. When property changes aren't processed in a timely manner, even for land that has already been sold, the receipt of outdated property tax statements and bills creates confusion, anger, and financial discrepancies.
- **Buyers of newly created tax lots don't receive tax statements**. When property changes aren't processed in a timely manner, buyers of new tax lots don't receive property tax statements and don't pay taxes. This making it difficult for them to budget for taxes and fulfill obligations and leaves taxing districts short on revenue.
- **Buyers lose the ability to claim property taxes on income tax filings** which negatively impacts tax deductions and financial planning.

In short, delays in assessment and taxation processing introduce financial risks, legal uncertainty, and transactional bottlenecks for real estate transactions and development timelines. Accurate and timely assessment and taxation records ensure that property transactions flow seamlessly, protecting the integrity of the real estate market and enable buyers, sellers, lenders, and title companies to operate with confidence.

County A&T Offices have steady lost staff over the past two decades (from a peak of 960 FTE in 2005 to 850 FTE in 2024) even as tax accounts and workload has increased. County A&T offices have sought efficiencies and invested in technology where possible. Many have cross-trained staff in a variety of different subject matters. There is little to no fat left to trim, so to speak.

Appendix 1: Realtors Rely on Accurate and Timely County A&T Data and Services

Realtors, Title Companies, lenders, fee appraisers, and many others in the real estate industry depend heavily on the Assessor's office for accurate property data to support listings, pricing, legal disclosures, and title verification. Real estate listings alone use at least 20 key data points from Assessor records. These industries often contact our office to resolve discrepancies, request back tax estimates, and rely on our staff and website for guidance.

Without proper funding, the accuracy and availability of this vital information will be at risk, disrupting transactions, increasing legal exposure, and undermining market trust. Here's a breakdown of the most common types of assessor inventory data that realtors rely on:

1. Parcel and Property Details

- Parcel Number: Unique identifier used for property lookups and verification.
- Map ID: Township, Range, Section etc.
- Lot Size: Acreage or square footage of the land.
- Zoning Information: Helps determine what can be built or done on the property.
- Tax Assessor Maps
- Legal Descriptions

2. Building Characteristics

- Year Built: Useful for marketing, comparable, and depreciation estimates.
- Square Footage: Total and by type (e.g., finished basement, garage).
- Number of Bedrooms/Bathrooms: Used to verify and correct listing details.
- Construction Type: Materials and style can affect valuation and buyer interest.
- Improvements/Additions: Includes permits or renovations that affect value.
- Materials used in construction (exterior & interior)

3. Valuation and Tax Info

- Assessed Value: Helps compare properties and understand local tax implications.
- Taxable Value vs. Market Value: Important for pricing strategy and disclosures.
- Property Tax History: Trends and potential future tax burdens.

4. Sales History

- Previous Sale Prices and Dates: Useful for market analysis and appraisals.
- Transfer Types: (e.g., arms-length, foreclosure, gift), which affect value interpretation.

5. Customer Service Requests from Realtors

- Requests to update inventory records to reflect the listing (bedroom, bathroom count etc.)
- Research and questions regarding Prior ownership changes
- Sales history
- Realtors often request estimates for special assessment back taxes, requiring a five-year collection review for properties in farm or forest programs.
- Tax amount owing requests

Why Correct A&T Data Matters to Realtors

- Accurate Listings: Avoid misrepresentation of square footage or property type.
- Pricing and comparative market analysis: Uses public records as a base.
- Buyer Confidence: Verified data supports transparency and trust.
- Disclosure and Compliance: Essential for legal accuracy and professional standards.

Appendix 2: Title Companies Rely on Accurate and Timely County A&T Data and Services

Title companies utilize the Assessor's Office to verify property details, support title searches, and ensure legal accuracy during real estate transactions. Here's how they typically use the Assessor's data and services:

1. Ownership Verification

- Legal Owner Confirmation: Cross-checks with assessor records to verify current ownership and match it to the deed.
- Chain of Title: Assists in identifying any breaks, discrepancies, or recent transfers in ownership history.

2. Legal Descriptions & Parcel Information

- Legal Description of the Property: Used to prepare title documents and ensure the correct property is being transferred.
- Parcel/Tax Lot Numbers: Helps tie together records across agencies and ensures accurate identification of property.

3. Property Tax Information

- Tax Status: Ensures property taxes are current; identifies any delinquent taxes or liens that need to be settled before closing.
- Assessment Values: Verifies the assessed value for escrow calculations, and sometimes for settlement disclosures.

4. Boundary and Land Use Data

- Lot Size & Boundaries: Used to confirm land details match legal descriptions.
- Zoning Info: Checks compliance with local ordinances, especially in commercial transactions.

5. Special Assessments and Exemptions

- Exempt Status: Verifies if a property has any exemptions (e.g., senior, veteran) that may affect tax liability.
- Special Assessment Liens: Looks for unpaid improvement assessments or district fees that could affect title.

6. Building and Property Characteristics

- Structure Data: Confirms information like year built, square footage, and building type for underwriting or policy endorsements.

5. Customer Service Requests from Title Companies

- Tax Amount Owing
- Guidance in Manufactured Homeownership changes
- Transfer Types: (e.g., arms-length, foreclosure, gift), which affect value interpretation.

Appendix 3: Historical Breakdowns and Lane County Case Study

Following the passage of Measures 47 (1996) and 50 (1997), County Assessment and Taxation Offices were hit with huge budget cuts. The creation of CAFFA in 1989 was providing additional revenue for County A&T, but M50 reduced county revenue by an average of 18%. The 1999 Legislature responded to County A&T's woes by reworking CAFFA and providing support for the first time via the State General Fund. Counties began to recover in the earlier 2000s right as Oregon's housing market started booming.

The interplay of Measure 50 and the rapid acceleration of new construction created challenges to County A&T offices across the state. The conditions in certain counties were particularly dire with backlogs of up to three years on many property changes. Some counties triaged the processing of larger subdivisions and partition plats at the expense of land divisions and lot line adjustments. The backlog in property changes led to a variety of problems for taxpayers and the real estate and development industries.

For example, when land divisions or lot line adjustments went unprocessed, sellers of the "parent" parcels would receive tax statements for the entire parcel. A&T staff lacked the resources and capacity to prevent the problems from occurring or to reconcile them quickly when corrections were sought. In some instances, buyers of unprocessed "child" parcels weren't sent tax statements at all, making it difficult for them to plan for future tax payments and unable to claim property taxes on income tax filings.

When new lots lack tax lot numbers and property tax accounts, property transactions remained in limbo. Title companies were unable to verify legal lot descriptions causing delays in issuing title insurance. Without title insurance, buyers were unable to secure ownership in a timely manner. Lenders holding property taxes in escrow had no corresponding tax accounts to pay, causing uncertainty about tax obligations, which led to funds being returned to buyers, further complicating real estate transactions and in some cases preventing them from occurring at all.

Taxing districts lost revenue. Taxes owed on child parcels always outweigh taxes owed on parent parcels. When property changes weren't recorded, revenue was lost. Often when property changes were recorded, counties weren't able to go back and recapture the two- or three-years' worth of missed payments. They processed them as if they had happened that year, which meant significant revenue went unrecovered.

Counties had to process many tax prorations per request, which took significant time and effort. The work created a vicious cycle as the prorations took time away from being able to process new property changes as they came in as well as other important functions like adding new value in a timely manner and capturing/preventing the accumulation of omitted property.

Once counties caught up, it took time before realtors, title companies, and others trusted the data. They continued to contact County A&T staff to double check things. That took additional time on both sides and led to additional backlogs in County A&T workload.

In 2025, many counties are again seeing the timeliness and accuracy of various records eroding. In the last 25 years, many different interests (other county functions, taxing districts, real estate professionals, and the public) have become increasingly reliant on County Assessor ownership maps and GIS data. Because of that, the impacts of falling behind could be more severe than in the early 2000s. With County General Funds under strain and CAFFA revenue continuing to decline, it's only a matter of time before the conditions of the early 2000s occur again.

Of particular concern is County A&T's ability to handle future increases in housing production. Oregon continues to struggle with the pace of housing production and many efforts have been undertaken to speed future production along. When the pace of production does eventually turn a corner, County A&T will have difficulty responding without significant increases in and stabilization of CAFFA.

Lastly, although this document focuses primarily on real estate transactions and development timelines, it also highlights the difficulty of implementing significant property tax reform with understaffed County A&T Offices. The current combination of historically low and steadily declining CAFFA contributions has already led to decreased accuracy and fairness in taxation and in loss of revenue to Oregon's taxing districts. But it will lead to far more significant issues should the state pass any meaningful policy reform, just as it will when housing production, presumably, accelerates.

Lane County Case Study (FY2004-05)
Lane County was perhaps the most impacted by the events of the early 2000s. Its extreme backlogs led the DOR to complete a detailed Functions Analysis Report of the Assessor's functions (attached) which was presented to the County on March 16, 2005. The report included recommendations for bringing the Assessor's functions back up to acceptable standards and eliminating the backlog and specified that certain actions be taken before the county's CAFFA grant request for FY 2005-06 could be certified. The proposed budget for the Assessor function required the addition of four positions to implement the recommendations of the DOR report. It was also recommended that two additional appraisers be added in FY 2006-07. The DOR agreed to provide the county with technical assistance with cartography and appraisal.

The DOR identified 2,315 tax accounts waiting for property changes. As land is prepared for development, "parent" tax lots are commonly subdivided or partitioned into many new "child" tax lots, each of which has a new taxable value. The sum value of the new tax lots usually greatly exceeds the original value of the parent tax lot.

A backlog of more than 2,000 tax lots represents a significant amount of revenue waiting to be realized. The DOR estimated the value of the 2,315 tax lots at $23 million. Once divided, however, they were determined to have a potential taxable value of $292 million, for an increase of roughly $260 million. That would have equated to approximately $4.2 million in tax revenue countywide and represented a loss of $300,000 a year to Lane County and $3.9m a year to other districts.

For Lane County, which has often served as a canary in the coal mine for County A&T issues, things are once again beginning to look dire. The County lost one position last year and another this year. In 2000, Lane County A&T was staffed at 60 FTE. For TY2026-27, only 47.80 FTE positions are budgeted. Advances in technology have sped up some of the work. Staff has also been cross trained in order to be more responsive to problems as they arise. But the lack of resources is once again leading to backlogs and projects that could help the county be more efficient have been shelved. Lane County is far from alone in its concerns.