

# Senate Bill 183

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Specifies timeline for filing application for reduction in maximum assessed value of demolished or removed property. Specifies order of adjustment for calculation of maximum assessed value of demolished or removed property. Provides for appeal of calculation of maximum assessed value of demolished or removed property to board of property tax appeals.

Applies to property tax years beginning on or after January 1, 2009.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to taxation of demolished property; creating new provisions; amending ORS 308.146,  
3 308.166, 309.026 and 311.234; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 308.146 is amended to read:

6 308.146. (1) The maximum assessed value of property shall equal 103 percent of the property's  
7 assessed value from the prior year or 100 percent of the property's maximum assessed value from  
8 the prior year, whichever is greater.

9 (2) Except as provided in subsections (3) and (4) of this section, the assessed value of property  
10 to which this section applies shall equal the lesser of:

11 (a) The property's maximum assessed value; or

12 (b) The property's real market value.

13 (3) Notwithstanding subsections (1) and (2) of this section, the maximum assessed value and as-  
14 sessed value of property shall be determined as provided in ORS 308.149 to 308.166 if:

15 (a) The property is new property or new improvements to property;

16 (b) The property is partitioned or subdivided;

17 (c) The property is rezoned and used consistently with the rezoning;

18 (d) The property is first taken into account as omitted property;

19 (e) The property becomes disqualified from exemption, partial exemption or special assessment;

20 or

21 (f) A lot line adjustment is made with respect to the property, except that the total assessed  
22 value of all property affected by a lot line adjustment shall not exceed the total maximum assessed  
23 value of the affected property under subsection (1) of this section.

24 (4) Notwithstanding subsections (1) and (2) of this section, if property is subject to partial ex-  
25 emption or special assessment, the property's maximum assessed value and assessed value shall be  
26 determined as provided under the provisions of law governing the partial exemption or special as-  
27 sessment.

28 (5)(a) Notwithstanding subsection (1) of this section, when a portion of property is destroyed or

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 damaged due to fire or act of God, for the year in which the destruction or damage is reflected by  
2 a reduction in real market value, the maximum assessed value of the property shall be reduced to  
3 reflect the loss from fire or act of God.

4 (b) This subsection does not apply:

5 (A) To any property that is assessed under ORS 308.505 to 308.665.

6 (B) If the damaged or destroyed property is property that, when added to the assessment and  
7 tax roll, constituted minor construction for which no adjustment to maximum assessed value was  
8 made.

9 (c) As used in this subsection, "minor construction" has the meaning given that term in ORS  
10 308.149.

11 (6)(a) If, during the period beginning on January 1 and ending on July 1 of an assessment year,  
12 any real or personal property is destroyed or damaged, the owner or purchaser under a recorded  
13 instrument of sale in the case of real property, or the person assessed, person in possession or owner  
14 in the case of personal property, may apply to the county assessor to have the real market and as-  
15 sessed value of the property determined as of July 1 of the current assessment year.

16 (b) The person described in paragraph (a) of this subsection shall file an application for assess-  
17 ment under this section with the county assessor on or before the later of:

18 (A) August 1 of the current year; or

19 (B) The 60th day following the date on which the property was damaged or destroyed.

20 (c) If the conditions described in this subsection are applicable to the property, then  
21 notwithstanding ORS 308.210, the property shall be assessed as of July 1, at 1:00 a.m. of the as-  
22 sessment year, in the manner otherwise provided by law.

23 (7)(a) Paragraph (b) of this subsection applies if:

24 (A) A conservation easement or highway scenic preservation easement is in effect on the as-  
25 sessment date;

26 (B) The tax year is the first tax year in which the conservation easement or highway scenic  
27 preservation easement is taken into account in determining the property's assessed value; and

28 (C) A report has been issued by the county assessor under ORS 271.729 within 12 months pre-  
29 ceding or following the date the easement was recorded.

30 (b) The assessed value of the property shall be as determined in the report issued under ORS  
31 271.729, but may be further adjusted by changes in value as a result of any of the factors described  
32 in ORS 309.115 (2), to the extent adjustments do not cause the assessed value of the property to  
33 exceed the property's maximum assessed value.

34 (8)(a) Notwithstanding subsection (1) of this section, when a building is demolished or removed  
35 from property, for the year in which the demolition or removal of the building is reflected by a  
36 reduction in real market value, the maximum assessed value of the property may be reduced to re-  
37 flect the demolition or removal of the building.

38 (b) This subsection does not apply:

39 (A) To any property that is assessed under ORS 308.505 to 308.665.

40 (B) If the demolished or removed property is property that, when added to the assessment and  
41 tax roll, constituted minor construction for which no adjustment to maximum assessed value was  
42 made.

43 **(c) To receive the reduction in maximum assessed value of the property under this sub-**  
44 **section, the property owner must file an application with the county assessor after the**  
45 **demolishment or removal and on or before December 31 following the assessment date if the**

1 **demolishment or removal occurred:**

2 (A) Before the January 1 assessment date; or

3 (B) During the period beginning January 1 and ending on the July 1 assessment date if  
 4 the property owner has applied to have the real market and assessed value of the property  
 5 determined under subsection (6) of this section.

6 [(c)] (d) As used in this subsection[,]:

7 (A) "Minor construction" has the meaning given that term in ORS 308.149.

8 (B) "Property owner" means an owner or purchaser under a recorded instrument of sale  
 9 in the case of real property, or the person assessed, person in possession or owner in the  
 10 case of personal property.

11 **SECTION 2.** ORS 308.166 is amended to read:

12 308.166. (1) If the maximum assessed value of property is subject to adjustment under both ORS  
 13 308.153 and 308.156, the maximum assessed value shall first be determined under ORS 308.153 and  
 14 then further adjusted under ORS 308.156.

15 (2) If the maximum assessed value of property is subject to adjustment under both ORS 308.153  
 16 and 308.159, the maximum assessed value shall first be determined under ORS 308.153 and then  
 17 further adjusted under ORS 308.159.

18 (3) If the maximum assessed value of property is subject to adjustment under both ORS 308.156  
 19 and 308.159, the maximum assessed value shall first be determined under ORS 308.156 and then  
 20 further adjusted under ORS 308.159.

21 (4) If the maximum assessed value of property is subject to adjustment under all of ORS 308.153,  
 22 308.156 and 308.159, the maximum assessed value shall first be determined under subsection (1) of  
 23 this section and then further adjusted under ORS 308.159.

24 (5) If the maximum assessed value of property is subject to adjustment for fire or act of God,  
 25 the maximum assessed value shall first be determined under ORS 308.146 (5)(a) and then may be  
 26 adjusted as provided in subsections (1) to (4) of this section.

27 **(6) If the maximum assessed value of property is subject to adjustment for demolition**  
 28 **or removal of a building, the maximum assessed value shall first be determined under ORS**  
 29 **308.146 (8)(a) and then may be adjusted as provided in subsections (1) to (4) of this section.**

30 **SECTION 3.** ORS 309.026 is amended to read:

31 309.026. (1) The board of property tax appeals may convene on or after the first Monday in  
 32 February of each year, but not later than the date necessary for the board to complete the functions  
 33 of the board by April 15. The board shall meet at the courthouse or courthouse annex. If the meeting  
 34 place is other than the courthouse or annex, notice of the meeting place shall be posted daily in the  
 35 courthouse. The board shall continue its sessions from day to day, exclusive of legal holidays, until  
 36 the functions provided in subsections (2) and (3) of this section are completed.

37 (2) The board shall hear petitions for the reduction of:

38 (a) The assessed value or specially assessed value of property as of January 1 or as determined  
 39 under ORS 308.146 (6)(a) or 308.428;

40 (b) The real market value of property as of January 1 or as determined under ORS 308.146 (6)(a)  
 41 or 308.428;

42 (c) The maximum assessed value of property as of January 1 or as determined under ORS  
 43 308.146 (5)(a) and 308.428; [and]

44 **(d) The maximum assessed value of property as of January 1 or as determined under ORS**  
 45 **308.146 (5)(a) or (8)(a) or 308.428; and**

1 [(d)] (e) Corrections to value made under ORS 311.208.

2 (3) The board shall hear petitions for the reduction of value as provided in subsection (2) of this  
 3 section, but only if the value that is the subject of the petition was added to the roll prior to De-  
 4 cember 1 of the tax year.

5 (4) The board shall consider applications to waive liability for all or a portion of the penalty  
 6 imposed under ORS 308.295 or 308.296.

7 (5) The board shall adjourn no later than April 15.

8 **SECTION 4.** ORS 311.234 is amended to read:

9 311.234. (1) Notwithstanding ORS 311.205 (1)(b), the current owner of property or other person  
 10 obligated to pay taxes imposed on property may petition the county assessor for a correction in the  
 11 maximum assessed value of the property for the current tax year[, *including but not limited to a*  
 12 *correction in the maximum assessed value of the property for demolition or removal of a building*  
 13 *in the current tax year*].

14 (2) Pursuant to a petition filed under this section, the assessor may correct the maximum as-  
 15 sessed value of the property for the current tax year if there is a demonstrated difference between  
 16 the actual square footage of the property as of the assessment date for the current tax year and the  
 17 square footage of the property as shown in the records of the assessor for the tax year.

18 (3) The correction made under this section may not be proportionally different from the pro-  
 19 portional difference between the original square footage of the property as shown in the assessor's  
 20 records and the actual square footage of the property as of the assessment date for the current tax  
 21 year.

22 (4) Notwithstanding subsection (3) of this section, the correction made under this section may  
 23 not cause the maximum assessed value of the property to increase by more than three percent from  
 24 the maximum assessed value of the property for the preceding tax year.

25 (5) A petition filed under this section must be on the form and contain the information pre-  
 26 scribed by the Department of Revenue and must be filed with the county assessor on or before De-  
 27 cember 31 of the current tax year.

28 (6) A decision by the assessor pursuant to a petition filed under this section may be appealed  
 29 under ORS 305.275.

30 **SECTION 5.** The amendments to ORS 308.146, 308.166, 309.026 and 311.234 by sections 1  
 31 to 4 of this 2009 Act apply to property tax years beginning on or after January 1, 2009.

32 **SECTION 6.** This 2009 Act takes effect on the 91st day after the date on which the reg-  
 33 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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