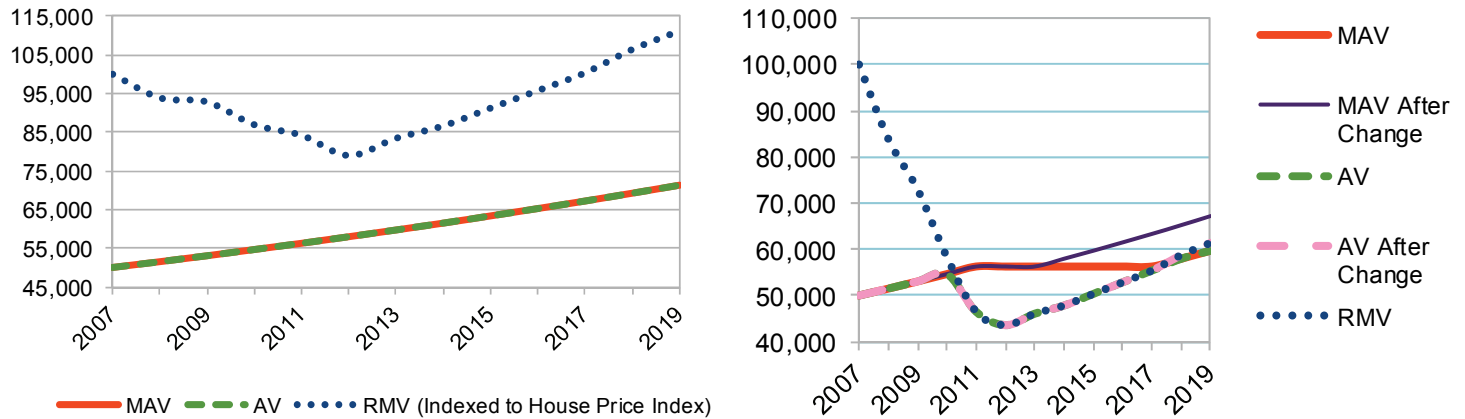


SB 313 Impacts

High Value Growth Property: 2 Possibilities

A high growth rate from 1996 to 2007, with everything else held constant, would keep the RMV above the MAV and allow some room for the RMV to fall without dropping below the MAV. However, if the decline in RMV is severe enough, it could still drop below the MAV.

85% of Oregon properties have a MAV below their RMV at this point. Recovery of the market will likely keep it this way for the majority of properties. In cases where the RMV has dropped precipitously, high RMV relative to MAV may not matter, and the RMV would still fall below the MAV. This can be especially true if real estate values were “artificially” inflated in 1995-96 when the MAV was set.



Lower RMV Growth Property

This property only had a 3% per year growth rate between 1996 and 2007. In 2007, the ratio of the MAV to RMV was larger than the statewide average. Since the gap between MAV and RMV was smaller, the recession’s dip in RMV has brought it below the MAV. This property is affected by the policy change, paying higher taxes by 2015 because it would be assessed based on the RMV instead of the MAV. When RMV recovers past the new MAV (beyond 2020,) the taxes would be higher because the new MAV has grown in the interim period.

