

**77TH OREGON LEGISLATIVE ASSEMBLY  
2013 REGULAR SESSION  
PRELIMINARY STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE:** SJR 11-1  
**CARRIER:**

**REVENUE:** May have revenue impact; statement not yet issued

**FISCAL:** May have fiscal impact; statement not yet issued

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**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Christine Broniak, Economist

**Meeting Dates:** 2/27

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**WHAT THE BILL DOES:** Proposes amendment to Oregon Constitution to reset the assessed value of a property to the real market value upon certain qualifying events including the sale or improvements to the property. Replaces language that refers to the changed property ratio because it would be replaced with the reset.

**ISSUES DISCUSSED:**

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**EFFECT OF COMMITTEE AMENDMENTS:** Divides property into two groups for the purposes of the reset:

For new construction, a sale or transfer, or major rehabilitation or reconstruction, resets the assessed value to real market value.

For remodeled, renovated, minor rehabilitated, or minor reconstructed property, retains the current method of valuation whereby the changed property ratio is multiplied by the real market value to obtain the assessed value.

Retains the current method of valuation for subdivided, rezoned, omitted, lot line adjusted, or special assessment disqualified property.

Requires the assessed value of a newly purchased residence of a low income senior citizen to be less than or equal to the assessed value of their former primary residence if certain conditions are met:

If the old and new properties are in the same county, requires that the purchase price of the newly acquired property to be less than the sales price of the prior primary residence and that the sales price of the prior primary residence to be less than the median real market value of similar property in that county.

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If the old and new properties are in different counties, requires that the purchase price of the newly acquired property be less than the median real market value for similar property in its county and that the sale price of the prior residence be below the median real market value for similar property in its county.

Requires the low income senior citizen to purchase the new primary residence within one calendar year after selling the prior primary residence.

Directs the Legislature to enact laws to establish eligibility requirements and an application process.

Applies to assessment years beginning on or after January 1, 2017. Applies the reset to sales, new construction, major rehabilitation, or major reconstruction beginning on or after January 1, 2017. Sunsets the section on January 2, 2021.

**BACKGROUND:** Measure 50, a constitutional amendment passed by voters in 1997, set assessed values at a level lower than the 1995-96 real market values less 10 percent. Assessed value growth was then capped at 3 percent per year. Property taxation is based on the lesser of assessed value or real market value. The average ratio of assessed value to real market value for a county and class of property is applied to newly constructed, improved, subdivided, or rezoned property to determine the assessed value. This measure would instead match assessed values with real market values upon these events which change the value of the property.