

# D R A F T

## SUMMARY

Authorizes city to adopt ordinance or resolution providing that average maximum assessed value and average real market value of new property or new improvements to property located in city shall be determined using property of same property class located in city rather than in county.

Takes effect on 91st day following adjournment sine die.

### A BILL FOR AN ACT

Relating to the valuation of new property located in a city; creating new provisions; amending ORS 308.149; and prescribing an effective date.

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

**SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 308.149 to 308.166.**

**SECTION 2. A city may provide, by ordinance or resolution, that, for purposes of the valuation under ORS 308.153 of new property or new improvements to property located in the city, the average maximum assessed value and average real market value shall be determined using property of the same property class located in the city rather than in the county.**

**SECTION 3. ORS 308.149 is amended to read:**

308.149. As used in ORS 308.149 to 308.166:

(1)(a) “Area” means the county in which property, the maximum assessed value of which is being adjusted, is located [*except that*].

**(b) Notwithstanding paragraph (a) of this subsection, “area” means:**

**(A)** This state, if the property for which the maximum assessed value is being adjusted is property that is centrally assessed under ORS 308.505 to

1 308.665.

2 **(B) A city in which property, the maximum assessed value of which**  
3 **is being adjusted under ORS 308.153, is located if the city has adopted**  
4 **an ordinance or resolution pursuant to section 2 of this 2015 Act.**

5 (2)(a) "Average maximum assessed value" means the value determined by  
6 dividing the total maximum assessed value of all property in the same area  
7 in the same property class by the total number of properties in the same area  
8 in the same property class.

9 (b) In making the calculation described under this subsection, the fol-  
10 lowing property is not taken into account:

11 (A) New property or new improvements to property;

12 (B) Property that is partitioned or subdivided;

13 (C) Property that is rezoned and used consistently with the rezoning;

14 (D) Property that is added to the assessment and tax roll as omitted  
15 property; or

16 (E) Property that is disqualified from exemption, partial exemption or  
17 special assessment.

18 (c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to  
19 the calculation of average maximum assessed value in the case of property  
20 centrally assessed under ORS 308.505 to 308.665.

21 (3)(a) "Average real market value" means the value determined by divid-  
22 ing the total real market value of all property in the same area in the same  
23 property class by the total number of properties in the same area in the same  
24 property class.

25 (b) In making the calculation described under this subsection, the fol-  
26 lowing property is not taken into account:

27 (A) New property or new improvements to property;

28 (B) Property that is partitioned or subdivided;

29 (C) Property that is rezoned and used consistently with the rezoning;

30 (D) Property that is added to the assessment and tax roll as omitted  
31 property; or

1 (E) Property that is disqualified from exemption, partial exemption or  
2 special assessment.

3 (c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to  
4 the calculation of average real market value in the case of property centrally  
5 assessed under ORS 308.505 to 308.665.

6 (4) "Lot line adjustment" means any addition to the square footage of the  
7 land for a real property tax account and a corresponding subtraction of  
8 square footage of the land from a contiguous real property tax account.

9 (5) "Minor construction" means additions of real property improvements,  
10 the real market value of which does not exceed \$10,000 in any assessment  
11 year or \$25,000 for cumulative additions made over five assessment years.

12 (6)(a) "New property or new improvements" means changes in the value  
13 of property as the result of:

14 (A) New construction, reconstruction, major additions, remodeling, reno-  
15 vation or rehabilitation of property;

16 (B) The siting, installation or rehabilitation of manufactured structures  
17 or floating homes; or

18 (C) The addition of machinery, fixtures, furnishings, equipment or other  
19 taxable real or personal property to the property tax account.

20 (b) "New property or new improvements" does not include changes in the  
21 value of the property as the result of:

22 (A) General ongoing maintenance and repair; or

23 (B) Minor construction.

24 (c) "New property or new improvements" includes taxable property that  
25 on January 1 of the assessment year is located in a different tax code area  
26 than on January 1 of the preceding assessment year.

27 (7) "Property class" means the classification of property adopted by the  
28 Department of Revenue by rule pursuant to ORS 308.215, except that in the  
29 case of property assessed under ORS 308.505 to 308.665, "property class"  
30 means the total of all property set forth in the assessment roll prepared un-  
31 der ORS 308.540.

1        **SECTION 4. Section 2 of this 2015 Act and the amendments to ORS**  
2        **308.149 by section 3 of this 2015 Act apply to property tax years begin-**  
3        **ning on or after July 1, 2016.**

4        **SECTION 5. This 2015 Act takes effect on the 91st day after the date**  
5        **on which the 2015 regular session of the Seventy-eighth Legislative**  
6        **Assembly adjourns sine die.**

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