

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Sub. Referrals: House Committee On Rules

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Submits to the people for their approval or rejection proposed amendment to Oregon Constitution to be voted on at next primary election. Proposed amendment would require, on first assessment date following date of sale or other transfer, assessed value of property subject to sale or transfer to be equal to the real market value of the property. Requires initial year maximum assessed value of property following sale or transfer to be equal to assessed value of property, with following years MAV changing in accordance with existing laws. Requires Legislative Assembly to enact all laws necessary to implement proposed amendment changes. Applies to assessment years beginning on or after January 1, 2019.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Measure 50 defined the concept of Assessed Value (AV). The 1997-98 Maximum Assessed Value (MAV) for each property is 90% of its 1995-96 real market value (RMV). If no new construction occurs on the property, then the growth in maximum assessed value is capped at 3% a year. However, assessed value can not exceed real market value. The ratio of MAV to RMV is known as the Changed Property Ratio (CPR). Across all taxing districts, the CPR was at its lowest in 2008-09 at 55.6%. In part due the recession's impact on residential and business property values, the statewide CPR leveled off at about 78% in 2012-13 and 2013-14. Prior to the most recent recession, changes reflected high appreciation in real market values of property that occurred in many areas of Oregon relative to the 3% constitutionally capped growth rate in MAV. When new property or improvements to property are added to the roll, the MAV of the new or improved property is calculated based upon the property's RMV multiplied by the CPR for that property's class and county.

The measure would require, at time of sale or other transfer of property, that the property's assessed value and maximum assessed value be equal to the property's real market value. Following the reset at sale or other transfer, a property's maximum assessed value would increase in accordance with existing laws.