

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

**Action Date:** 04/08/15

**Action:** Do Pass.

**Meeting Dates:** 04/08

**Vote:**

Yeas: 4 - Baertschiger Jr, Edwards, Hass, Riley

Nays: 1 - Boquist

**Prepared By:** Kyle Easton, Economist

---

**WHAT THE MEASURE DOES:**

Clarifies assessment responsibilities of Department of Revenue and County Assessor offices relating to valuation of industrial property. Requires county assessor to appraise property for five consecutive years following request by county for assessment responsibility of otherwise state-appraised industrial property. Clarifies appeals process. Defines terms. Applies to assessment years beginning on or after January 1, 2015 and property tax years beginning on or after July 1, 2015.

**ISSUES DISCUSSED:**

- Reasoning behind threshold for state appraised industrial being at \$1 million
- Process by which appraisal responsibility is transferred between county and Department of Revenue
- Procedure followed by counties in responding to property owner inquires regarding valuation of industrial property

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The assessment responsibility for industrial properties is shared between the Department of Revenue (DOR) and county assessors. Current law requires DOR to assess industrial property with a previous year real market improvement value greater than one million. Upon request of the county assessor, DOR may delegate assessment responsibility to the county assessor. House Bill 2482 would provide clarification language relating to state-appraised and county-apprised industrial property.

Appeal rights can vary between county-appraised and state-appraised property. HB 2478 (2011) required appeals relating to industrial property assessed by DOR to be filed directly with the Oregon Tax Court in order to expedite the process. Confusion for taxpayers on where to file their appeal, either with the County Board of Property Tax appeals or with the magistrate division of the Oregon Tax Court can occur in instances where appraisal requirements shift from DOR to county or vice versa.