

House Bill 2129

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows taxpayer to petition for reduction of maximum assessed value upon demonstrating that new property or new improvements to property added to tax roll in prior tax year did not exist. Requires correction to maximum assessed value for reduction in square footage to be made in manner determined by assessor.

Provides that new property or new improvements include property that existed but was not included in assessment for prior tax year.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to determinations of maximum assessed value; creating new provisions; amending ORS
3 308.153 and 311.234; and prescribing an effective date.

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

5 **SECTION 1.** ORS 311.234 is amended to read:

6 311.234. (1) [*Notwithstanding ORS 311.205 (1)(b),*] The current owner of property or other person
7 obligated to pay taxes imposed on property may petition the county assessor for a correction in the
8 maximum assessed value of the property for the current tax year **for the circumstances described**
9 **in subsection (2) of this section.**

10 (2) [*Pursuant to a petition filed under this section,*] The assessor [*may*] **shall** correct the maximum
11 assessed value of the property for the current tax year if [*there is a demonstrated*] **the petitioner**
12 **demonstrates:**

13 (a) **A** difference between the actual square footage of the property as of the assessment date for
14 the current tax year and the square footage of the property as shown in the records of the assessor
15 for the tax year.

16 (b) **That new property, or new improvements to property, added to the tax roll in a prior**
17 **tax year did not exist as of the assessment date for that prior tax year or any subsequent**
18 **tax year.**

19 (3)(a) [*The*] **A** correction [*made*] under **subsection (2)(a)** of this section [*may not be propor-*
20 *tionally different from the proportional difference between the original square footage of the property*
21 *as shown in the assessor's records and the actual square footage of the property as of the assessment*
22 *date for the current tax year*] **must reflect, in a manner determined by the assessor, the cor-**
23 **rection in square footage accepted by the assessor.**

24 (b) **A** correction under subsection (2)(b) of this section:

25 (A) **Must reflect, in a manner determined by the assessor, the removal of the new prop-**
26 **erty or new improvements to property from the assessment and tax rolls as accepted by the**
27 **assessor.**

28 (B) **May not be made to the extent that the assessor finds that the new property or new**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **improvements to property existed on the assessment date of a prior tax year and the petition**
 2 **is best construed as demonstrating a difference in the nature, extent or value of the new**
 3 **property or new improvements to property.**

4 (4) [Notwithstanding subsection (3) of this section, the] A correction made under this section may
 5 not cause the maximum assessed value of the property to increase by more than three percent from
 6 the maximum assessed value of the property for the preceding tax year.

7 (5) A petition filed under this section must be on the form and contain the information pre-
 8 scribed by the Department of Revenue and must be filed with the county assessor on or before De-
 9 cember 31 of the current tax year.

10 (6) A decision by the assessor pursuant to a petition filed under this section may be appealed
 11 under ORS 305.275.

12 **SECTION 2.** ORS 308.153 is amended to read:

13 308.153. (1) If new property is added to the assessment roll or improvements are made to prop-
 14 erty as of January 1 of the assessment year, the maximum assessed value of the property shall be
 15 the sum of:

16 (a) The maximum assessed value determined under ORS 308.146; and

17 (b) The product of the value of the new property or new improvements determined under sub-
 18 section (2)(a) of this section multiplied by the ratio, not greater than 1.00, of the average maximum
 19 assessed value over the average real market value for the assessment year.

20 (2)(a) The value of new property or new improvements shall equal the real market value of the
 21 new property or new improvements reduced (but not below zero) by the real market value of re-
 22 tirements from the property tax account.

23 (b) If the maximum assessed value of property is adjusted for fire or act of God or for
 24 demolition or removal of a building under ORS 308.146, the reduction in real market value due
 25 to fire or act of God or demolition or removal of the building may not be considered to be a re-
 26 tirement under this subsection.

27 **(3)(a) For purposes of this section, property shall be considered new property, or new**
 28 **improvements to property, for a tax year if the property:**

29 **(A) Constituted an integral part of the land or improvements on the assessment date or**
 30 **the date of a site inspection by the assessor for appraisal purposes for any prior tax year;**

31 **(B) Has been continuously in existence since the prior tax year; and**

32 **(C) Was not included in the assessment of the land or improvements for any prior tax**
 33 **year.**

34 **(b) The following is evidence that the property was not included in the assessment of the**
 35 **land or improvements for a prior tax year:**

36 **(A) There is no express reference to the property in the records of the assessor; and**

37 **(B) The assessor's valuation of the land or improvements of which the property is an**
 38 **integral part increases as a result of inclusion of the property in the assessment.**

39 [(3)] (4) The property's assessed value for the year shall equal the lesser of:

40 (a) The property's maximum assessed value; or

41 (b) The property's real market value.

42 **SECTION 3. The amendments to ORS 308.153 and 311.234 by sections 1 and 2 of this 2015**
 43 **Act apply to property tax years beginning on or after July 1, 2015.**

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

