

House Bill 2993

Sponsored by 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**.

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

1
2 Relating to the valuation of new property located in a city; creating new provisions; amending ORS
3 308.149; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 308.149 to**
6 **308.166.**

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

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

13 308.149. As used in ORS 308.149 to 308.166:

14 (1)(a) "Area" means the county in which property, the maximum assessed value of which is be-
15 ing adjusted, is located [*except that*].

16 (b) **Notwithstanding paragraph (a) of this subsection, "area" means:**

17 (A) This state, if the property for which the maximum assessed value is being adjusted is prop-
18 erty that is centrally assessed under ORS 308.505 to 308.665.

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

22 (2)(a) "Average maximum assessed value" means the value determined by dividing the total
23 maximum assessed value of all property in the same area in the same property class by the total
24 number of properties in the same area in the same property class.

25 (b) In making the calculation described under this subsection, the following property is not
26 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 property; or

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

2 (c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to the calculation of av-
3 erage maximum assessed value in the case of property centrally assessed under ORS 308.505 to
4 308.665.

5 (3)(a) "Average real market value" means the value determined by dividing the total real market
6 value of all property in the same area in the same property class by the total number of properties
7 in the same area in the same property class.

8 (b) In making the calculation described under this subsection, the following property is not
9 taken into account:

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

11 (B) Property that is partitioned or subdivided;

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

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

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

15 (c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to the calculation of av-
16 erage real market value in the case of property centrally assessed under ORS 308.505 to 308.665.

17 (4) "Lot line adjustment" means any addition to the square footage of the land for a real prop-
18 erty tax account and a corresponding subtraction of square footage of the land from a contiguous
19 real property tax account.

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

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

25 (A) New construction, reconstruction, major additions, remodeling, renovation or rehabilitation
26 of property;

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

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

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

32 (A) General ongoing maintenance and repair; or

33 (B) Minor construction.

34 (c) "New property or new improvements" includes taxable property that on January 1 of the
35 assessment year is located in a different tax code area than on January 1 of the preceding assess-
36 ment year.

37 (7) "Property class" means the classification of property adopted by the Department of Revenue
38 by rule pursuant to ORS 308.215, except that in the case of property assessed under ORS 308.505 to
39 308.665, "property class" means the total of all property set forth in the assessment roll prepared
40 under ORS 308.540.

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

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