

**HB 2088 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 3/20

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**WHAT THE MEASURE DOES:**

Provides authority to city, through an ordinance or resolution, to specify that area within city boundaries is area used for purposes of computing maximum assessed value of specified property. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Article XI, Section 11(1) of the Oregon Constitution requires property to be valued at the ratio of average maximum assessed value to average real market value of property located in the area in which the property is located that is within the same property class if:

- (A) The property is new property or new improvements to property;
- (B) The property is partitioned or subdivided;
- (C) The property is rezoned and used consistently with the rezoning;
- (D) The property is first taken into account as omitted property;
- (E) The property becomes disqualified from exemption, partial exemption or special assessment; or
- (F) A lot line adjustment is made with respect to the property, except that the total assessed value of all property affected by a lot line adjustment shall not exceed the total maximum assessed value of the affected property under paragraph (a) or (b) of this subsection.

For property that fits the circumstances described in A-F above, maximum assessed value (MAV) for the property is generally determined through the following formula:  $RMV \text{ of property} * (\text{Avg. MAV} / \text{Avg. RMV}) \text{ of property within the same area and classed the same.}$

HB 2088 gives authority to cities to adjust the "area" as described in the formula above, to be area within the city, rather than the current law area which is countywide. This would have the effect of computing MAV, for properties listed in circumstances A-F above, based upon the ratio of like classed properties located within the city, which may be higher or lower than a countywide ratio.