


Rob Noss HD 42

Vote Yes on House Bill 2088A

On behalf of the undersigned organizations, we strongly encourage you to vote in favor of House Bill 2088A.

HB 2088A is a narrowly-scoped fix to the statutes that implemented Measure 50 -specifically, the method of calculation for the Changed Property Ratio, which determines how new properties and major improvements get an initial Maximum Assessed Values (MAV).

Currently, properties come on the tax rolls at the average MAV to Real Market Value (RMV) ratio of properties of that type in the county. In the 20 years since Measure 50 was adopted, we have learned that this can be an imprecise method, given that some counties have huge market/economic differences from city-to-city within a single county. Notably, HB 2088A only applies to Counties larger than 700,000 residents, attempting to remedy the most acute problem in the state, caused by Portland's rapid market value growth and much larger relative size than other cities within Multnomah County.

HB 2088A would increase fairness in the tax system by giving cities the ability to have new and improved properties come on the tax rolls at the city average instead of the county average, improving horizontal equity. Painting too broadly has resulted in accidental inequities, and large differences in tax bills between existing properties and new or significantly improved properties. Consider the example on the next page, provided by the City of Gresham:

Under Current Statute

TWO HOME COMPARISON

1980 Construction



2016 TAV: \$297,900 = 81.3%
2016 RMV: \$366,600

2016 Taxes: \$4,991

2016 Construction



2016 TAV: \$190,000 = 51.8%
2016 RMV: \$366,600

2016 Taxes: \$3,164

\$1,827 or 36.6% less in 2016 taxes than the existing home

Post-Adoption of HB 2088A

TWO HOME COMPARISON – HB 2088

1980 Construction



2016 TAV: \$297,900 = 81.3%
2016 RMV: \$366,600

2016 Taxes: \$4,991

2016 Construction



2016 TAV: \$274,200 = 74.8%
2016 RMV: \$366,600

2016 Taxes: \$4,832

\$158 or 3.2% less in 2016 taxes than the existing home under HB 2088

We strongly encourage a yes vote on HB 2088A.

Thank you,

