

Requested by Representative NOSSE

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2088**

1 On page 1 of the printed bill, line 3, after “308.149” delete the rest of the  
2 line and insert “and 308.156; and”.

3 Delete lines 6 through 30 and delete pages 2 through 8 and insert:

4 **“SECTION 1. Section 2 of this 2017 Act is added to and made a part**  
5 **of ORS 308.149 to 308.166.**

6 **“SECTION 2. (1) For purposes of ORS 308.149, a city may adopt an**  
7 **ordinance or resolution defining ‘area’ to mean the city.**

8 **“(2) A city that adopts an ordinance or resolution under this section**  
9 **must notify the county assessor on or before January 1 of the assess-**  
10 **ment year for which the city first intends the definition to apply.**

11 **“(3) A city may not adopt an ordinance or resolution under this**  
12 **section, or repeal such an ordinance or resolution, more often than**  
13 **once in five years.**

14 **“(4)(a) The county assessor may withhold from property tax dis-**  
15 **tributions made under ORS 311.395 to cities located in the county**  
16 **amounts for the actual costs incurred by the county for software up-**  
17 **grades required due to the adoption by the cities of ordinances and**  
18 **resolutions under this section.**

19 **“(b) Amounts withheld under this subsection:**

20 **“(A) Shall be in proportion to the total property taxes imposed in**  
21 **the current tax year by cities adopting ordinances or resolutions under**

1 **this section; and**

2 **“(B) May not exceed \$20,000 in total.**

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

4 “308.149. As used in ORS 308.149 to 308.166:

5 “(1) ‘Area’ means:

6 **“(a) The county in which property, the maximum assessed value of which**  
7 **is being adjusted, is located [except that ‘area’ means], including the area**  
8 **of any city located within the county that has adopted an ordinance**  
9 **or resolution pursuant to section 2 of this 2017 Act;**

10 **“(b) The city in which property, the maximum assessed value of**  
11 **which is being adjusted, is located, if the city has adopted an ordinance**  
12 **or resolution pursuant to section 2 of this 2017 Act; or**

13 **“(c) This state, if the property for which the maximum assessed value is**  
14 **being adjusted is property that is centrally assessed under ORS 308.505 to**  
15 **308.681.**

16 “(2)(a) ‘Average maximum assessed value’ means the value determined by  
17 dividing the total maximum assessed value of all property in the same area  
18 in the same property class by the total number of properties in the same area  
19 in the same property class.

20 “(b) In making the calculation described under this subsection, the fol-  
21 lowing property is not taken into account:

22 “(A) New property or new improvements to property;

23 “(B) Property that is partitioned or subdivided;

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

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

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

29 “(c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply  
30 to the calculation of average maximum assessed value in the case of property

1 centrally assessed under ORS 308.505 to 308.681.

2 “(3)(a) ‘Average real market value’ means the value determined by divid-  
3 ing the total real market value of all property in the same area in the same  
4 property class by the total number of properties in the same area in the same  
5 property class.

6 “(b) In making the calculation described under this subsection, the fol-  
7 lowing property is not taken into account:

8 “(A) New property or new improvements to property;

9 “(B) Property that is partitioned or subdivided;

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

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

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

15 “(c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply  
16 to the calculation of average real market value in the case of property cen-  
17 trally assessed under ORS 308.505 to 308.681.

18 “(4) ‘Lot line adjustment’ means any addition to the square footage of the  
19 land for a real property tax account and a corresponding subtraction of  
20 square footage of the land from a contiguous real property tax account.

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

24 “(6)(a) ‘New property or new improvements’ means changes in the value  
25 of property as the result of:

26 “(A) New construction, reconstruction, major additions, remodeling, ren-  
27 ovation or rehabilitation of property;

28 “(B) The siting, installation or rehabilitation of manufactured structures  
29 or floating homes; or

30 “(C) The addition of machinery, fixtures, furnishings, equipment or other

1 taxable real or personal property to the property tax account.

2 “(b) ‘New property or new improvements’ does not include changes in the  
3 value of the property as the result of:

4 “(A) General ongoing maintenance and repair; or

5 “(B) Minor construction.

6 “(c) ‘New property or new improvements’ includes taxable property that  
7 on January 1 of the assessment year is located in a different tax code area  
8 than on January 1 of the preceding assessment year.

9 “(7) ‘Property class’ means the classification of property adopted by the  
10 Department of Revenue by rule pursuant to ORS 308.215, except that in the  
11 case of property assessed under ORS 308.505 to 308.681, ‘property class’ means  
12 the total of all property set forth in the assessment roll prepared under ORS  
13 308.540.

14 **“SECTION 4.** ORS 308.156 is amended to read:

15 “308.156. (1) If property is subdivided or partitioned after January 1 of the  
16 preceding assessment year and on or before January 1 of the current assess-  
17 ment year, then the property’s maximum assessed value shall be established  
18 as provided under this section.

19 “(2) If property is rezoned and, after January 1 of the preceding assess-  
20 ment year and on or before January 1 of the current assessment year, the  
21 property is used consistently with the rezoning, the property’s maximum as-  
22 sessed value shall be established under this section.

23 “(3)(a) For the first tax year for which property is added to the property  
24 tax account as omitted property, the property’s maximum assessed value  
25 shall be established under this section.

26 “(b) For tax years subsequent to the first tax year for which property is  
27 added to the property tax account as omitted property, the property’s maxi-  
28 mum assessed value shall be determined as otherwise provided by law, taking  
29 into account the maximum assessed value of the property as determined un-  
30 der this section.

1 “(4)(a) If property was subject to exemption, partial exemption or special  
2 assessment as of the January 1 assessment date of the preceding assessment  
3 year and is disqualified from exemption, partial exemption or special assess-  
4 ment as of the January 1 of the current assessment year, the property’s  
5 maximum assessed value shall be established under this section.

6 “(b) If property described in this subsection is eligible for a different type  
7 of exemption, partial exemption or special assessment as of January 1 of the  
8 current assessment year, the property’s maximum assessed value shall be  
9 established under the provision granting the partial exemption or special  
10 assessment.

11 “(5) The property’s maximum assessed value shall be the sum of:

12 “(a) The maximum assessed value determined under ORS 308.146 that is  
13 allocable to that portion of the property not affected by an event described  
14 in subsection (1), (2), (3) or (4)(a) of this section; and

15 “(b) The product of the real market value of that portion of the property  
16 that is affected by an event described in subsection (1), (2), (3) or (4)(a) of  
17 this section multiplied by the ratio, not greater than 1.00, of the average  
18 maximum assessed value over the average real market value for the assess-  
19 ment year [*in the same area and property class*].

20 “(6) The property’s assessed value for the year shall equal the lesser of:

21 “(a) The property’s maximum assessed value; or

22 “(b) The property’s real market value.

23 “(7) The Department of Revenue shall provide by rule the method by  
24 which the allocations described in subsection (5) of this section are to be  
25 made.

26 **“SECTION 5. This 2017 Act takes effect on the 91st day after the**  
27 **date on which the 2017 regular session of the Seventy-ninth Legislative**  
28 **Assembly adjourns sine die.”**

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