

# MAV RE-MAV AND MSAV

valuing property in Oregon's property tax system

## WHAT AV IS NOT

- Assessed value is not a constant fraction of your property's real market value
- It is not equal to or proportional to your neighbor's property value

# A SIMPLY COMPLEX PROPERTY TAX SYSTEM

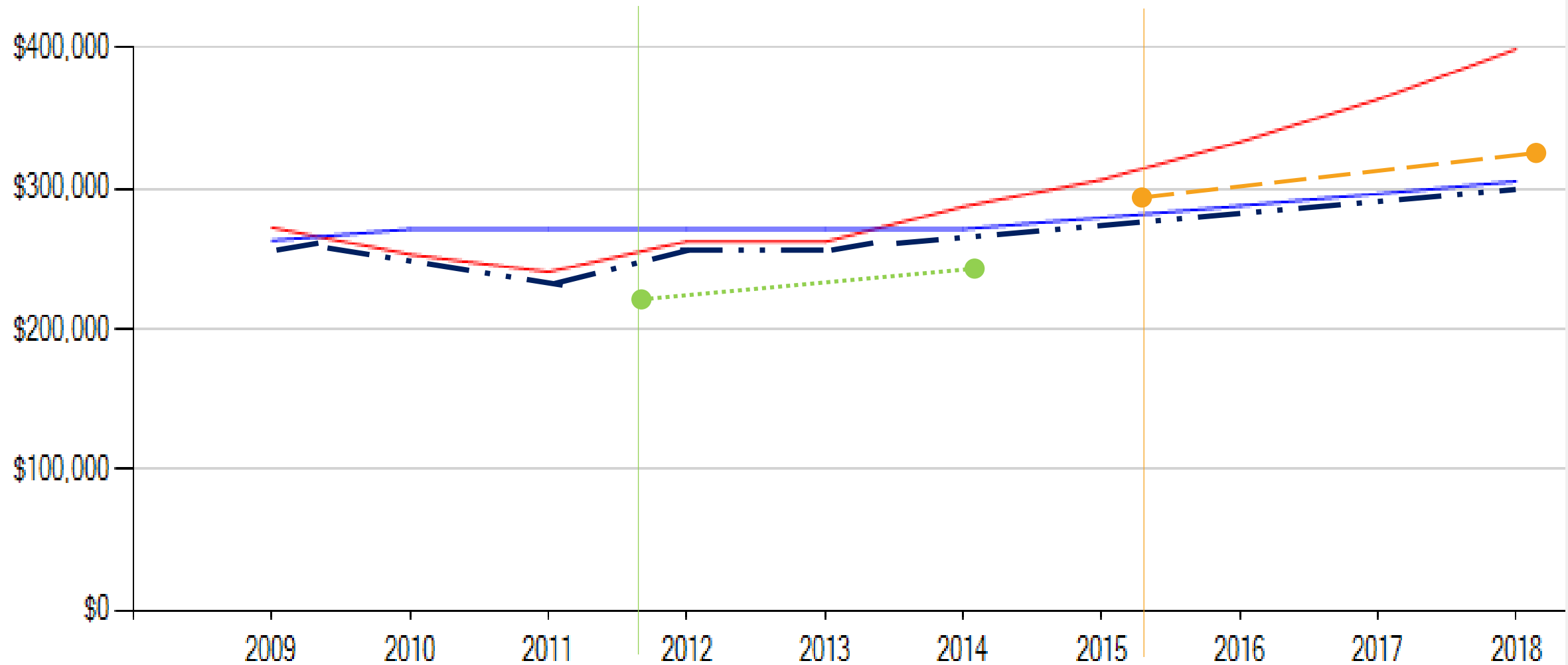
Achronym	Term	Determination Method	Definition
RMV	Real Market Value	constitution	the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm's length transaction occurring as of the assessment date for the tax year, as established by law.
AV	Assessed Value		the assessed value of property to which this section applies equals the lesser of: (a) The property's maximum assessed value; or (b) The property's real market value.
MAV	Maximum Assessed Value	constitution & Statute	For the tax year beginning July 1, 1997, each unit of property in this state shall have a maximum assessed value for ad valorem property tax purposes that does not exceed the property's real market value for the tax year beginning July 1, 1995, reduced by 10 percent.  The maximum assessed value of property equals 103 percent of the property's assessed value from the prior year or 100 percent of the property's maximum assessed value from the prior year, whichever is greater.
MSAV	Maximum Specially Assessed Value	constitution	For tax years beginning after July 1, 1997, the property's maximum assessed value shall not increase by more than three percent from the previous tax year.
CPR	Changed Property Ratio	constitution	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
M5	Measure 5 cap	constitution	section 11b \$10/\$1,000 for general govt and \$5/\$1,000 limit applied to RMV

## RE-MAV @ CONSTITUTION

- **As required by Constitution, property must be re-MAV'd with any of the following:**
- The property is new property or new improvements to property;
- The property is partitioned or subdivided;
- The property is rezoned and used consistently with the rezoning;
- The property is first taken into account as omitted property;
- The property becomes disqualified from exemption, partial exemption or **special assessment**
- A lot line adjustment is made with respect to the property

## CASE IN POINT

Real Market Value    Maximum Assessed Value



## EXAMPLE

- You have a home with an RMV \$400,000 with an AV of \$200,000 and a tax rate of \$17/\$1,000
- You enter into program with special assessment and they freeze the assessed value of your home for 10 years
- When you come out of the program, the CPR is .75, but now your house is worth (RMV) \$800,000 (average 8% annual growth) and so you get mandatorily re-MAV'd at \$600,000. With out the re-MAV, your house would have been set to MAV = \$520,000
- You saved \$10,000 over the course of 10 years in taxes, but in the first year, you are paying \$1,300 more than you would have if you hadn't been in the program.

## POTENTIALLY AFFECTED PROGRAMS

- Homeshare (SB 1045 2019)
- Vertical Housing (TER 2.101 partial exemption)
- Historic Property program (TER 2.125 special assessment)
- Active Duty Military (TER 2.115 partial exemption)
- Disabled Veterans and surviving spouses (TER 2.109 partial exemption)
- Surviving spouses of fallen officers (TER 2.116 partial exemption)

THE END



DOR  
2014  
FARM  
USE  
MANUAL

150-303-422 (Rev. 09-14)

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# M-50 calculations

Specially assessed RMV, SAV, MAV, and AV calculation matrix

