

Oregon Property Tax System

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2019 orientation

Pre - Measure 5 world

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- Lion's share of the school funding came from property taxes
- No \$5 and \$10 limits on local taxes to support school and government
- 232 pages

Pre - Measure 50 world

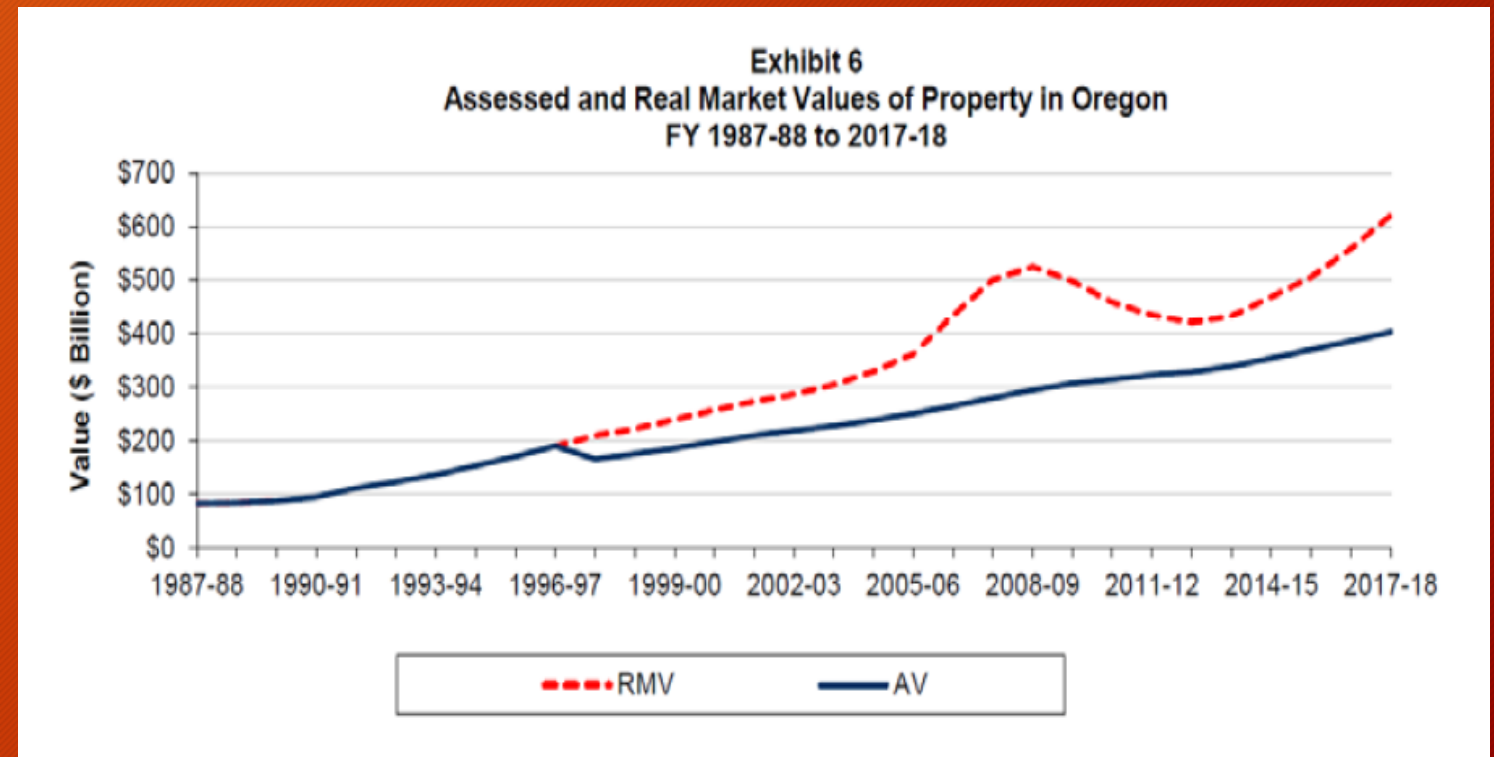
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- Levy based system - districts would calculate their budgets and apportion it out to property owners based on the real market value of their property
- The taxing district gets the full amount - if your property value increases by a larger percentage than the average you pay more
- 250 pages

Measure 5 and Measure 50

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- Passed in 1990 and 1997, created Oregon's current property tax system
- 1990- M 5
 - \$5 & \$10 cap per \$1,000 RMV
- 1997 -M 50
 - Assessed value & growth rate
 - Created a permanent rate
 - CPR



Glossary cont.

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- M5V - Statutorily allowed assessed value
- Specially Assessed Value (SAV) - only applies to specially assessed properties
- Taxable assessed value - what we think of as assessed value after all exemptions
- Assessed Value (AV) - Value of property subject to taxation - minimum of MAV and RMV

Glossary

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- Real Market Value (RMV) - as defined in ORS 308.205 the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller in a voluntary transaction
- Maximum Assessed Value - formulaic via M. 50
 - Existing 1997 - $.90 \times 1995-96$ property value
 - New to roll - $RMV \times CPR$
 - Both escalate at 3% per year
- MAV: = 103% of the property's assessed value for the prior year or 100 % of the property's MAV for the prior year, whichever is greater

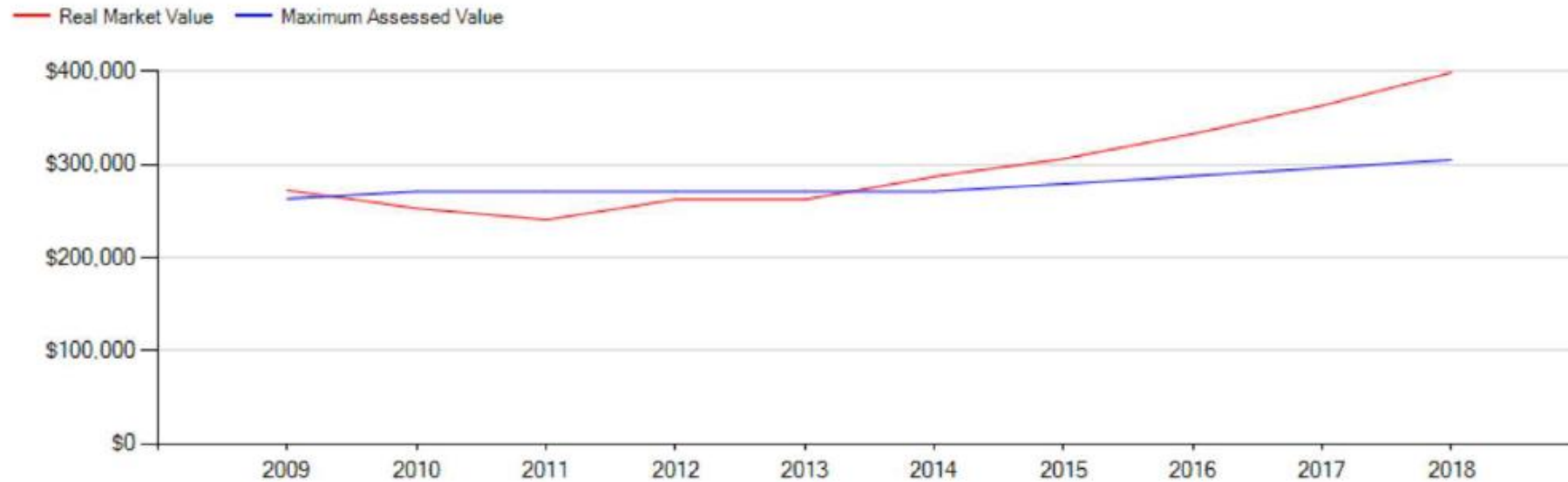
CPR is the countywide average of all MAV/RMV

Value Information (per most recent certified tax roll)

RMV Land Market:	\$105,560 ⓘ
RMV Land Spec. Assess.:	\$0 ⓘ
RMV Structures:	\$293,350 ⓘ
RMV Total:	\$398,910 ⓘ
SAV:	\$0 ⓘ
Exception RMV:	\$0 ⓘ
Exemption RMV:	\$0 ⓘ
M5 Taxable:	\$398,910 ⓘ
MAV:	\$305,190 ⓘ
MSAV:	\$0 ⓘ
AV:	\$305,190 ⓘ

Exemption Description: None

Graph shows tax roll Real Market Value and Maximum Assessed Value of this property for past 10 years. For a detailed explanation, please see definition of Assessed Value above (hover over the "i").



Glossary

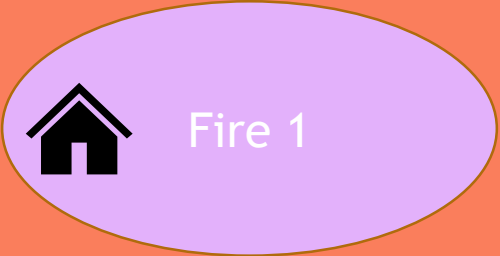
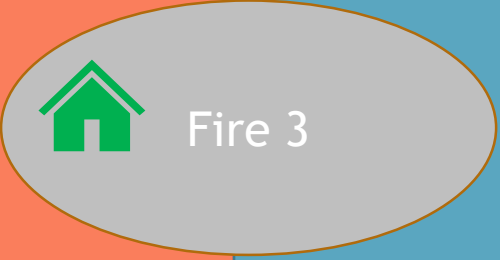
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- Taxing district -
 - County
 - City
 - School
 - Education Service (ESD)
 - Community College
 - Cemetery
 - Fire
 - Health
 - Park
 - Port
 - Sanitary
 - Water Supply
 - Water Control
 - Vector Control
 - Other
- Permanent rate -
 - permanent taxing rate for each district
 - Expressed in \$/1,000 of value



School A

School B

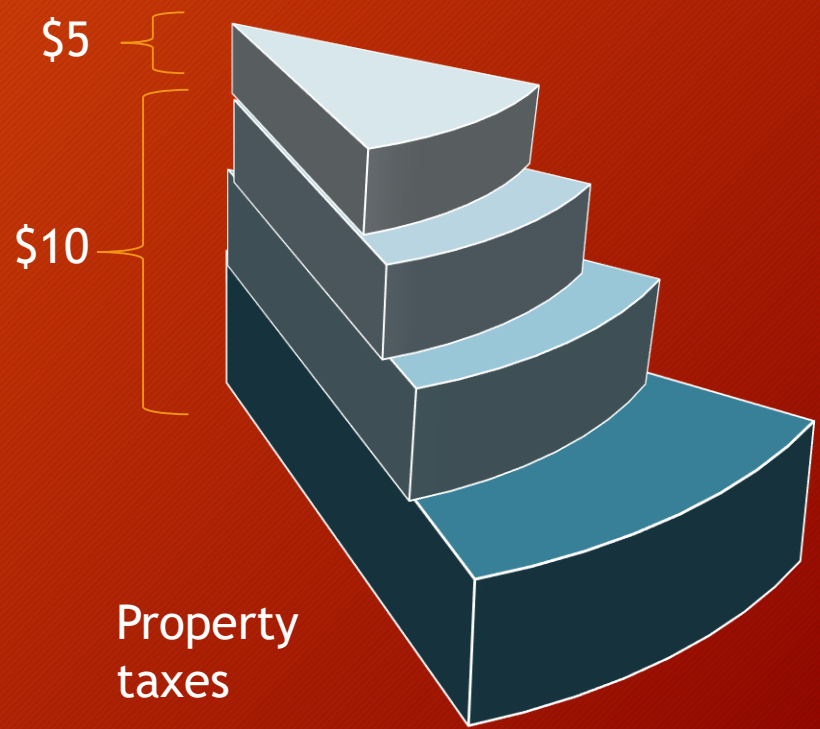
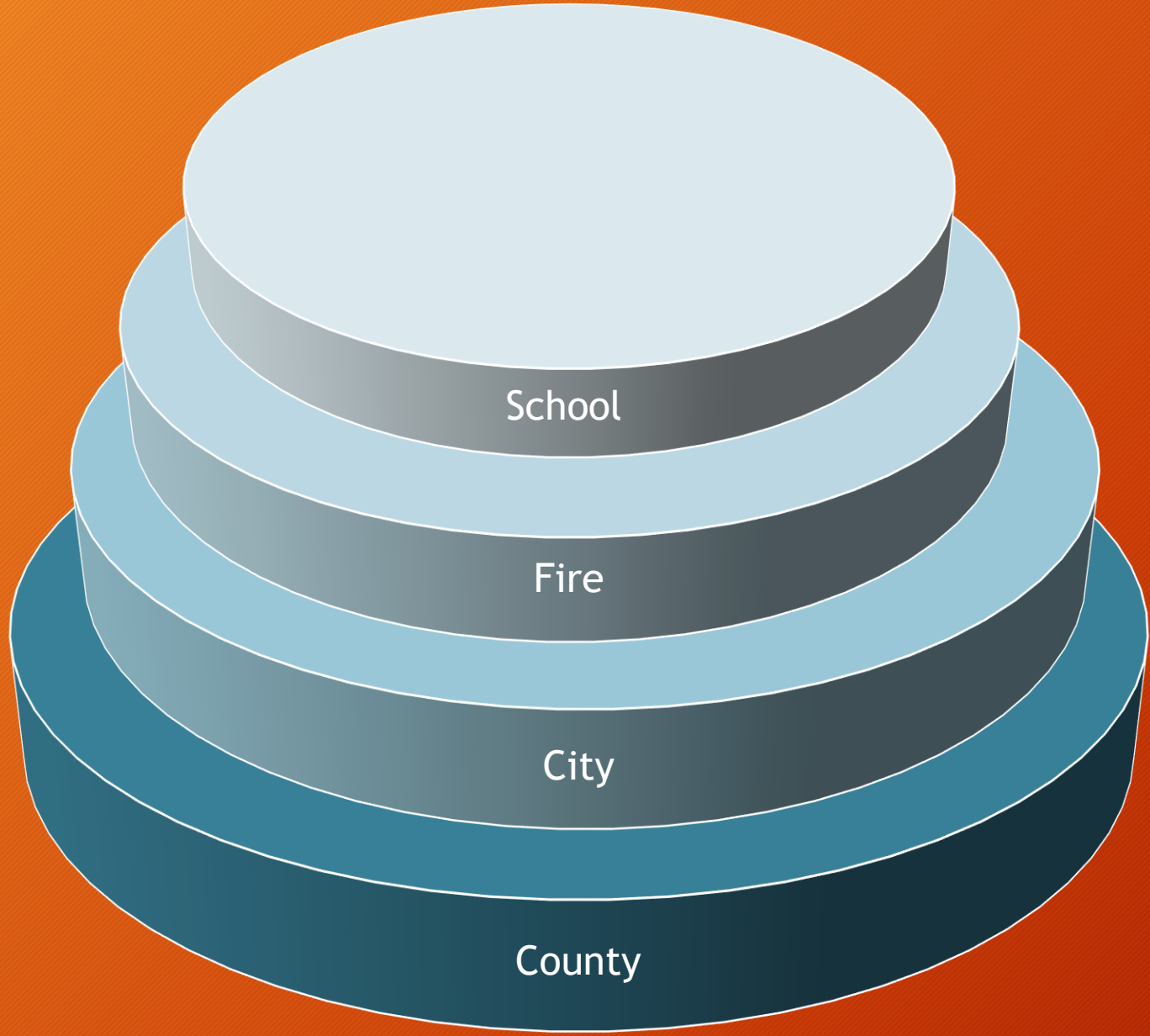


City

Fire 3

Fire 2

Fire 1



Levy vs rate

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Levy System

- The size of the pie can change from year to year
- Even if one property owners 'slice' stays the same, the overall tax burden for that individual increase
- Bonds still function this way

Rate System

- Regardless of the budget needs of the district, if a property owner's value increases then the bill for that property increase if everything else remains the same
- Permanent rate sets a floor

PROPERTY DESCRIPTION

LAST YEAR'S TAX

3,795.30

See back for explanation of taxes marked with (*)

SALEM, OR 97305
 ACRES: .44
 MAP: 072M06AD03500
 CODE: 92400213

VALUES:	LAST YEAR	THIS YEAR
MARKET VALUES:		
MRKT LAND	88,330	100,180
STRUCTURES	282,720	338,020
TOTAL RMV	371,050	438,200
TAXABLE VALUES:		
ASSESSED	261,160	268,990

THIS YEAR'S TAX

EDUCATION:	
SALEM-KEIZER SCHOOL	1,216.10
WILLAMETTE REG ESD	79.81
CHEMEKETA COM COL	168.36
EDUCATION TOTAL:	1,464.27
GENERAL GOVERNMENT:	
MARION COUNTY	813.75
MARION SOIL & WTR	11.32
MC EXT & 4-H SERV DIST	13.45
MARION FD 1	512.29
REGIONAL LIBRARY	22.00
SALEM MASS TRANSIT	204.67
MARION FD 1 LOC OPT 16	190.98
E-HAYESVILLE JAN REE L	42.60
GENERAL GOVERNMENT TOTAL	1,811.06
EXCLUDE FROM LIMIT:	
MARION FD 1, BOND	79.14
SALEM-KEIZER SCHOOL	150.55
SALEM-KEIZER SCH BOND2	614.53
CHEMEKETA COM COL BOND	72.82
ESSD STORM WATER FEE	54.60
LAW ENFORCEMENT FEE	120.00
EXCLUDE FROM LIMIT TOTAL:	
	1,091.64
TAX TOTALS	4,366.97

NET TAXABLE: 261,160 268,990

If a mortgage company pays your taxes,
 This statement is for your records only.

Full Payment with 3% Discount	2/3 Payment with 2% Discount	1/3 Payment No Discount
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4,235.96 2,853.39 1,455.66

TOTAL TAX (After Discount) 4,235.96

2018-19 Property Taxes
 SITUS: 4151 DREW ST NE
 SALEM, OR 97305

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

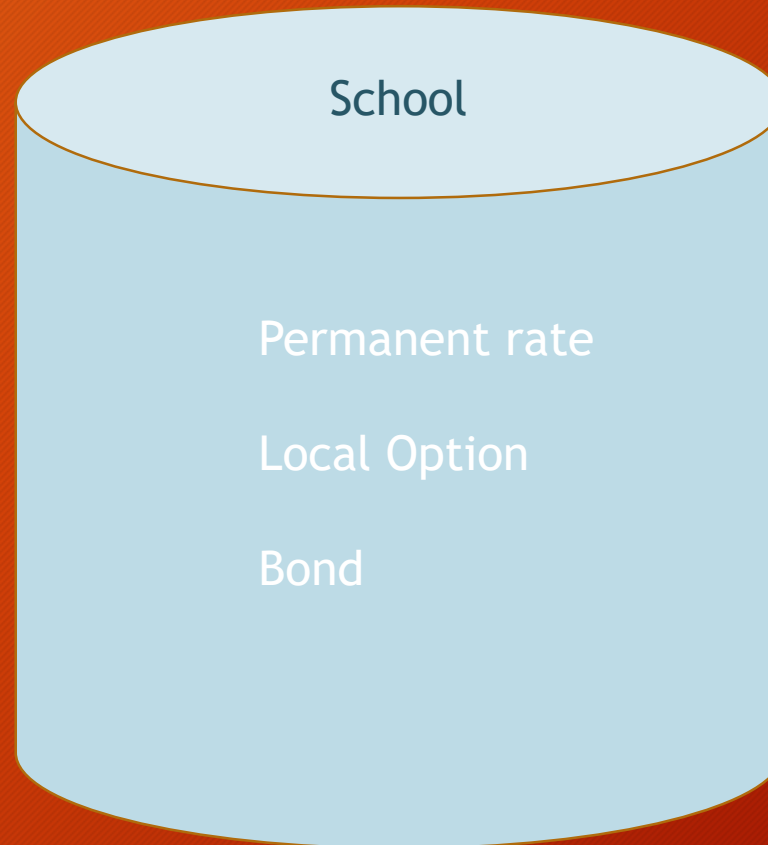
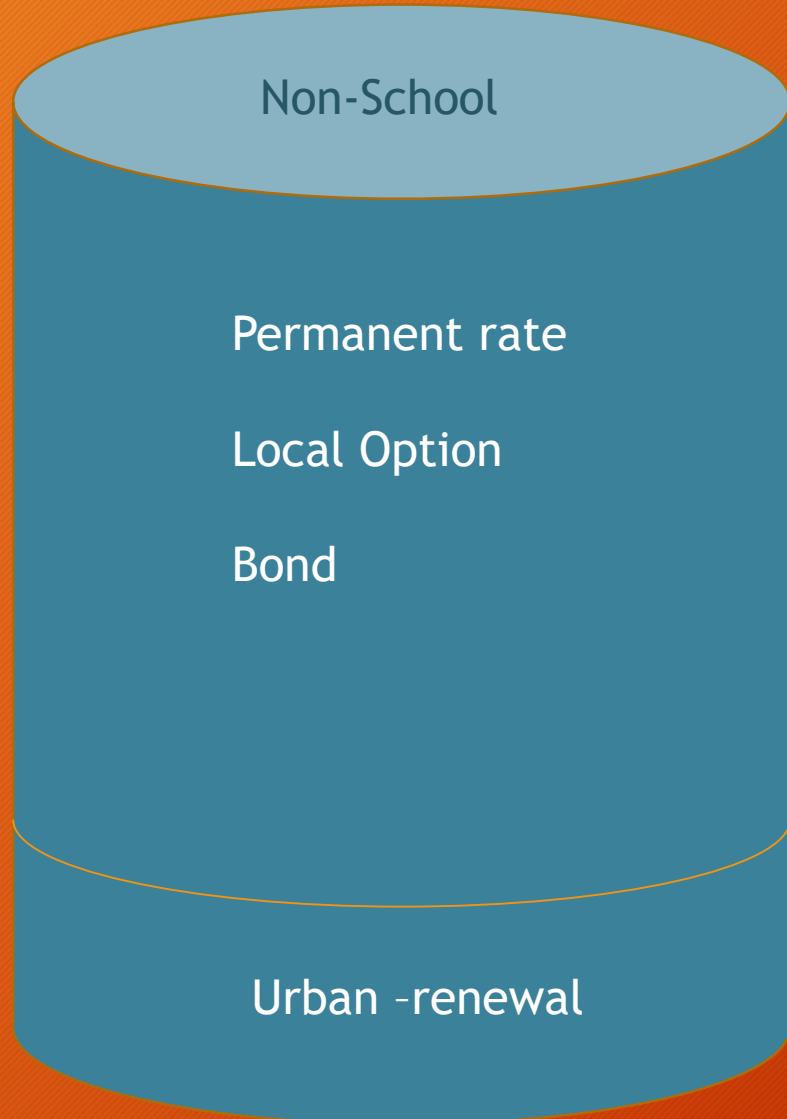
MARION REAL

ACCOUNT NO.: R51294

	Pay By	Discount Allowed	Net Amount
Full Payment Enclosed.....	Due: 11/15/18	131.01 3%	4,235.96
or 2/3 Payment Enclosed.....	Due: 11/15/18	58.23 2%	2,853.09
or 1/3 Payment Enclosed.....	Due: 11/15/18	NONE 0%	1,455.66



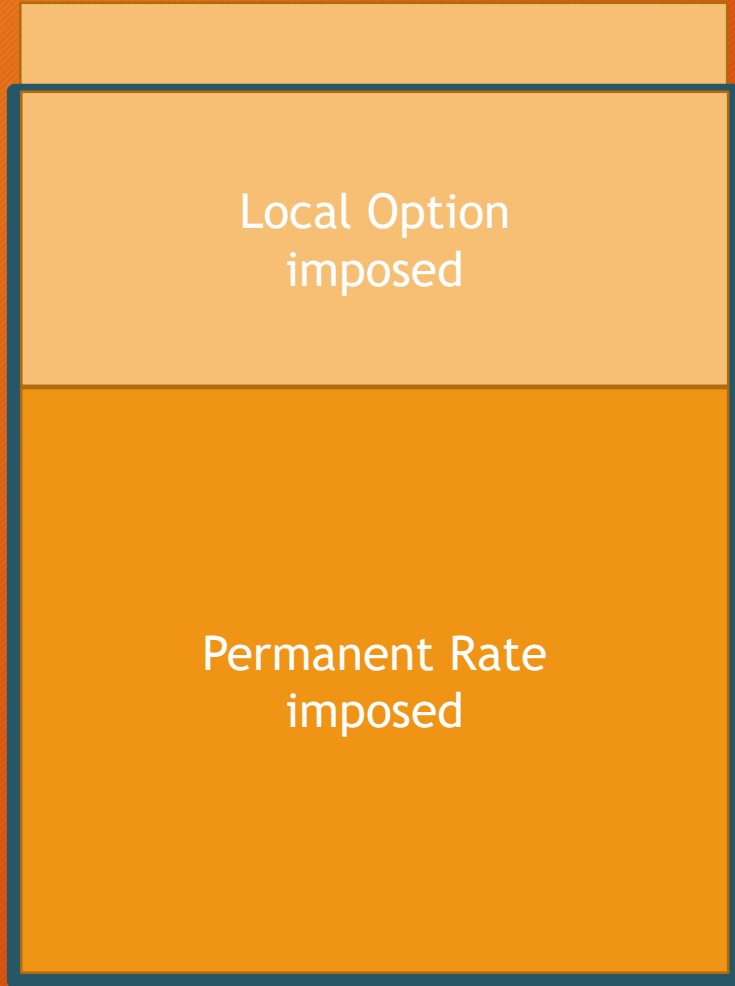
Each district has taxing authority



Compression

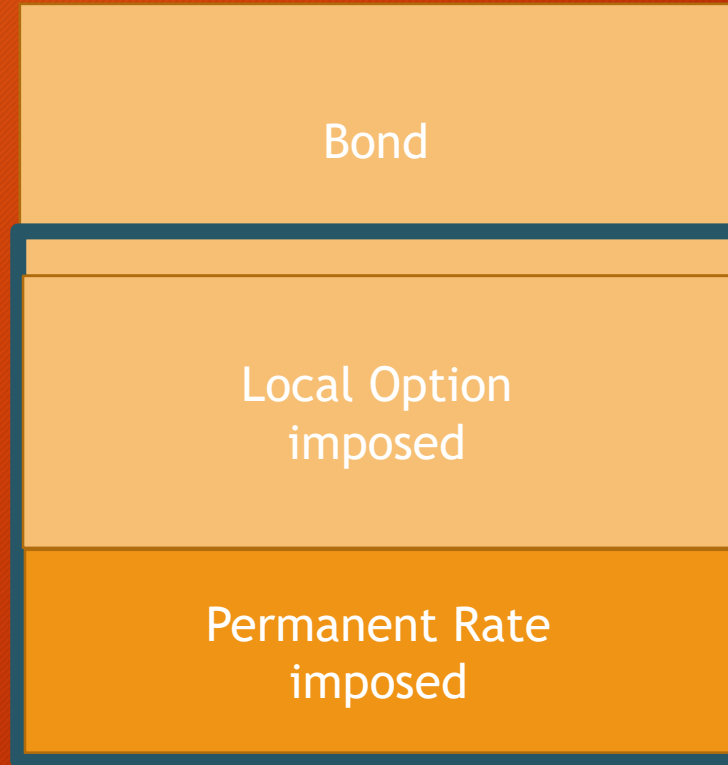
No Compression

\$10



Non-school / General Govt

\$5



School

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Key implications

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- Almost all changes to property tax must go to voters
- The CPR is instrumental in how much money a local district can raise.
 - HB 2088
 - Gresham estimates an increase in revenue of \$60,000

Tale of Two Houses- Tax Inequities Portland example

RMV in 1997: \$178,300

RMV in 1997: \$98,000

Both houses sold in June 2013 for approximately \$325,000



Difference in property taxes paid per year: **\$3,437**

Tax amounts in this example are from FY 2015-16.

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Both houses sold in mid-2013 for approximately \$160,000

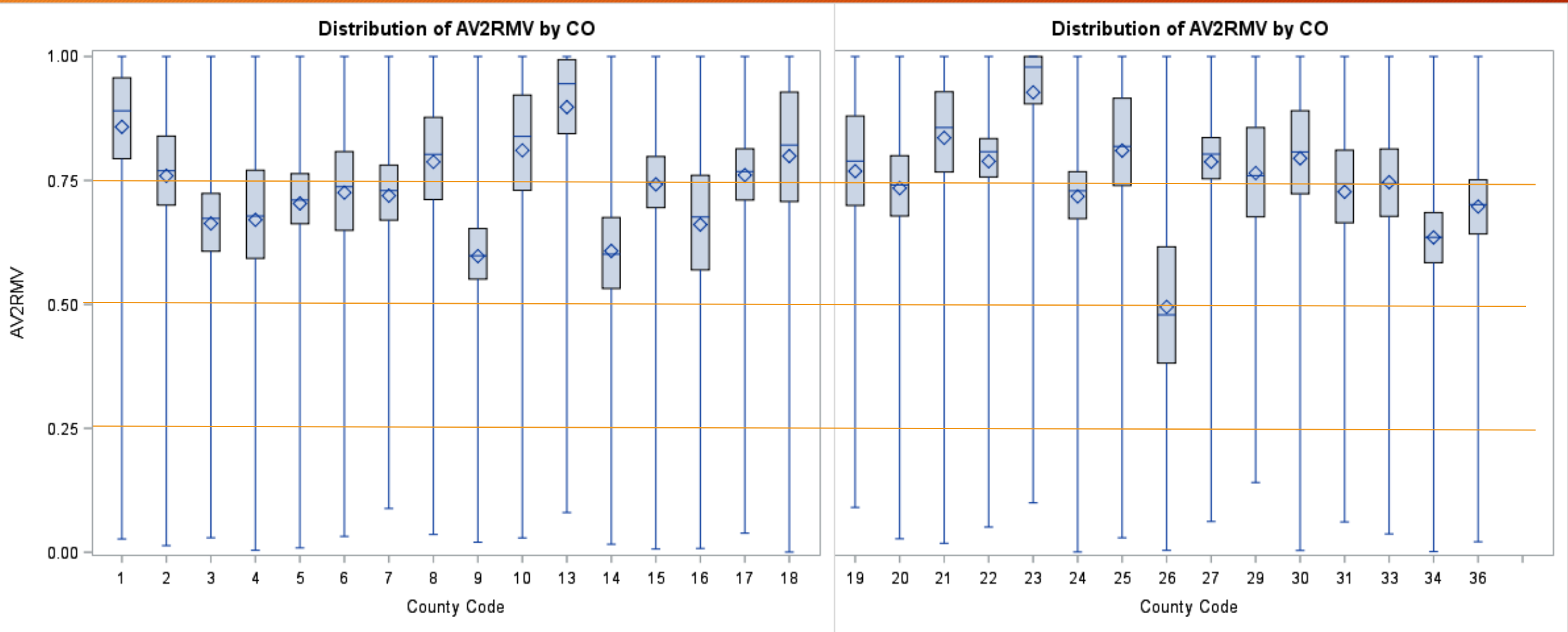


Difference in property taxes paid per year: **\$993**

Tax amounts in this example are from FY 2015-16.

Tale of Two Houses- Tax Inequities Salem Example

Courtesy of the League of Oregon Cities



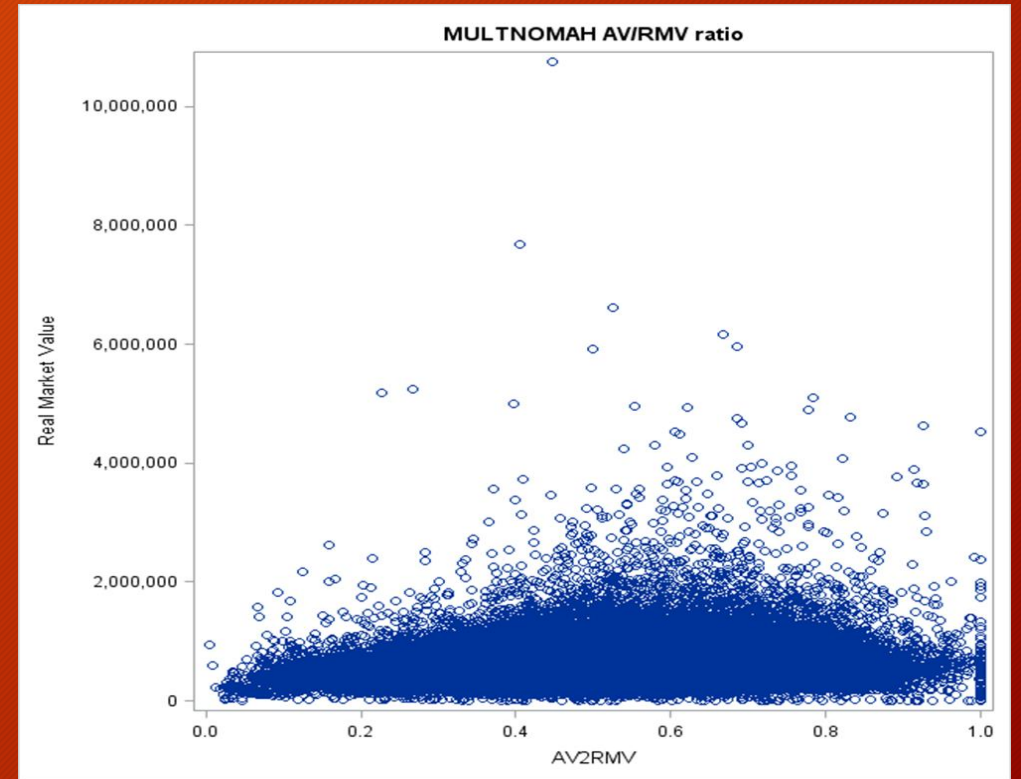
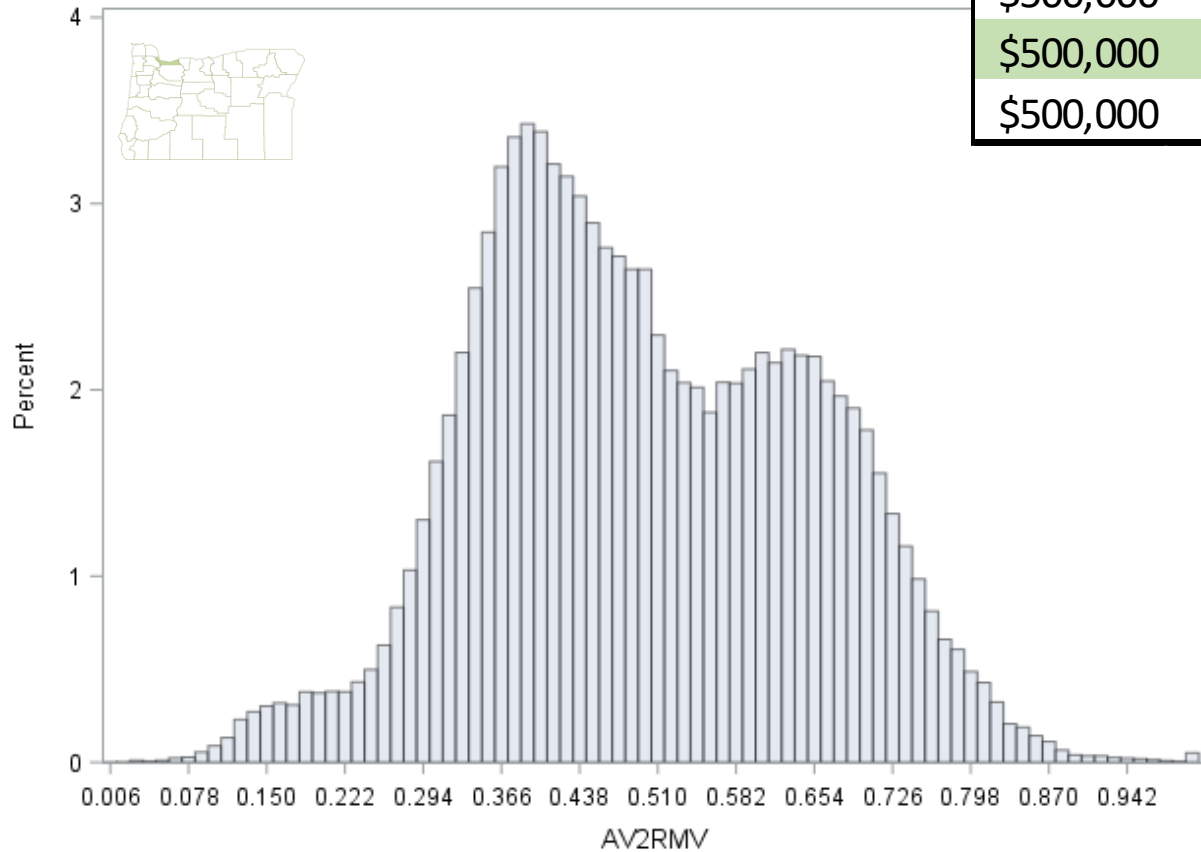
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|--------------|---------------|--------------|---------------|
| 01 BAKER | 09 DESCHUTES | 19 LAKE | 27 POLK |
| 02 BENTON | 10 DOUGLAS | 20 LANE | 29 TILLAMOOK |
| 03 CLACKAMAS | 13 HARNEY | 21 LINCOLN | 30 UMATILLA |
| 04 CLATSOP | 14 HOOD RIVER | 22 LINN | 31 UNION |
| 05 COLUMBIA | 15 JACKSON | 23 MALHEUR | 33 WASCO |
| 06 COOS | 16 JEFFERSON | 24 MARION | 34 WASHINGTON |
| 07 CROOK | 17 JOSEPHINE | 25 MORROW | 36 YAMHILL |
| 08 CURRY | 18 KLAMATH | 26 MULTNOMAH | |

2017-18 Multnomah County

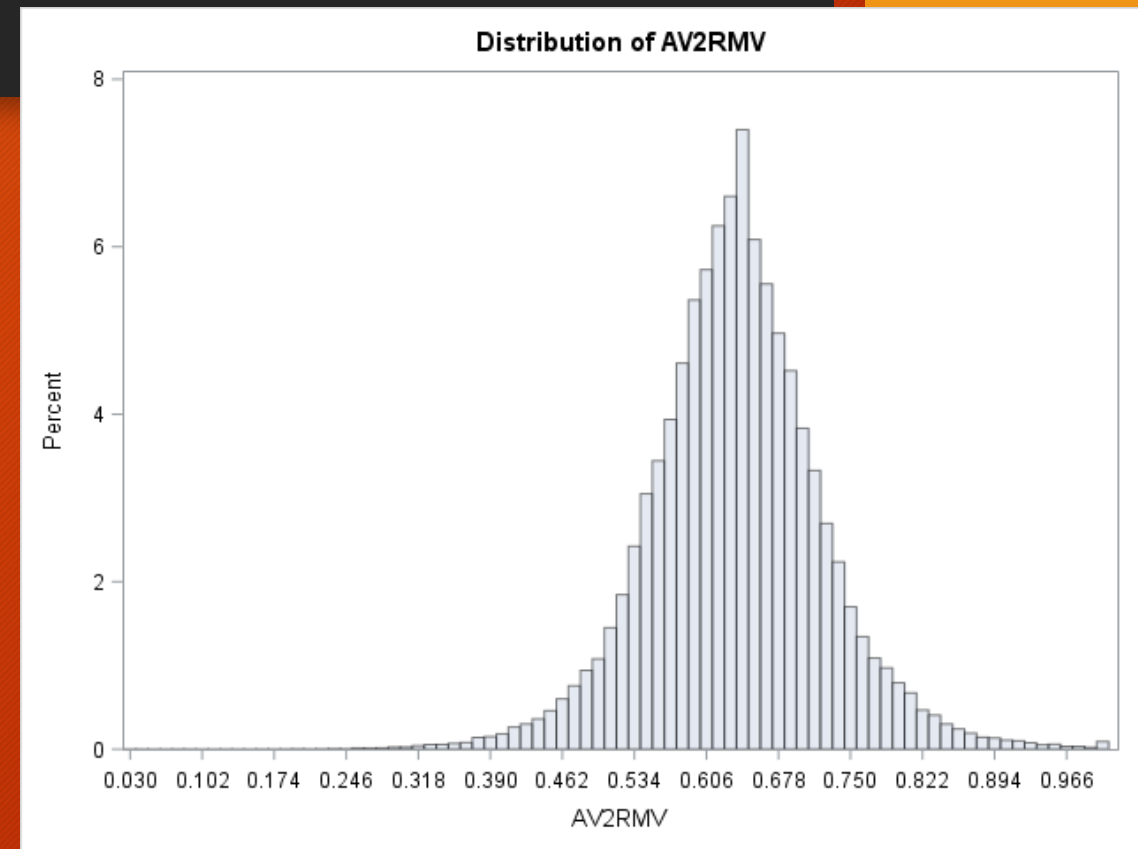
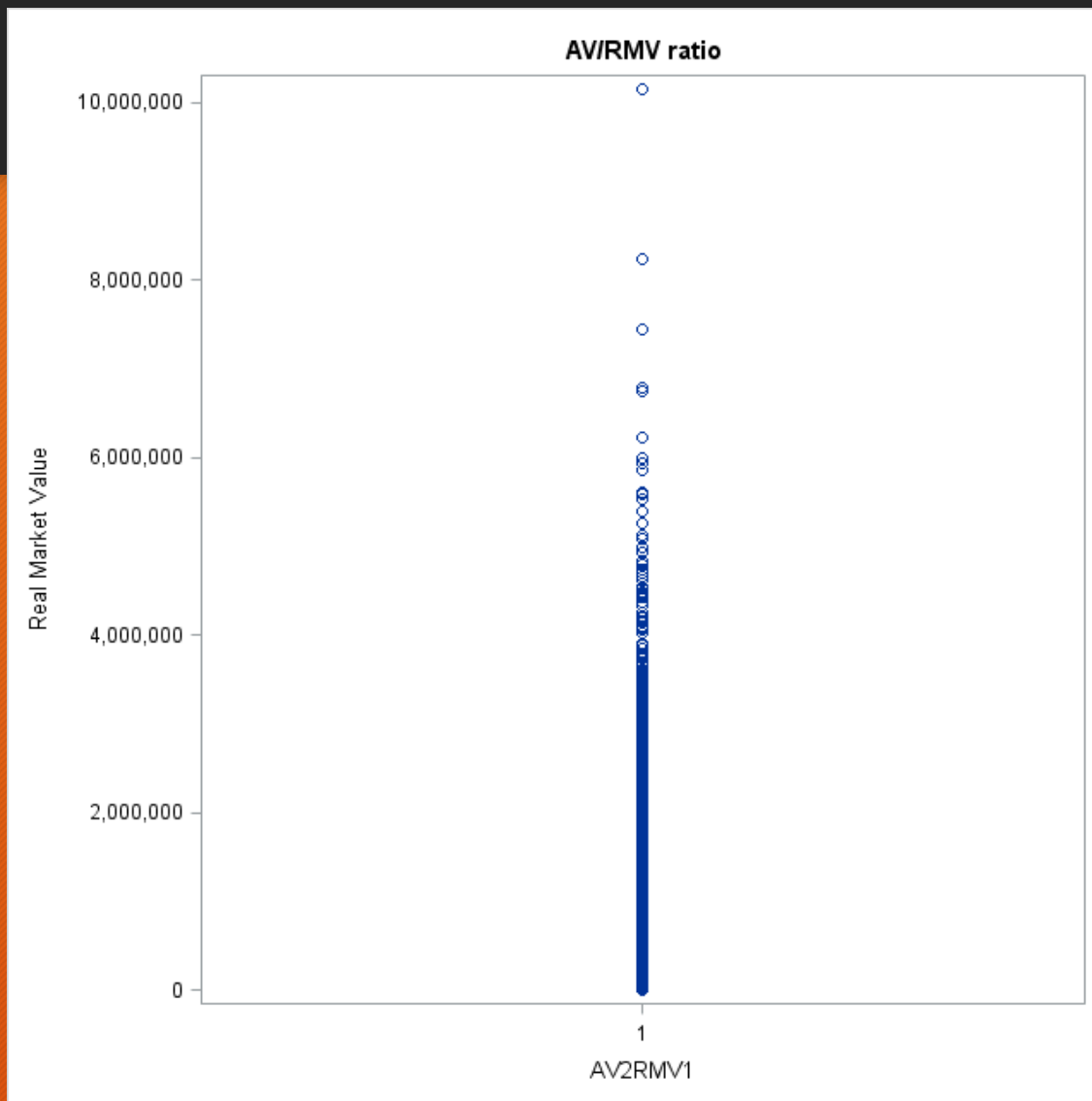
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RMV	ratio	tax	AV	taxes
\$500,000	0.6	0.022	300000	\$6,600
\$500,000	0.5	0.022	250000	\$5,500
\$500,000	0.4	0.022	200000	\$4,400
\$500,000	0.6	0.017	300000	\$5,100
\$500,000	0.5	0.017	250000	\$4,250
\$500,000	0.4	0.017	200000	\$3,400

Distribution of AV2RMV



So what does it mean?



Washington Co 2017-18

Bills this session re: property tax

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- HJR 1 - CPR moves to .75
- HJR 2 - if the property is over a million dollars set AV = RMV
- HJR 3 - for Commercial/industrial set AV = RMV
- HJR 4 - for Commercial/Industrial no compression
- SJR 1 - give legislature authority to implement fair and equitable property tax
- SB 191 extends property tax exemptions
- SB 209 - Homestead \$10,000 in value
- SB 262 - extend sunset property tax exemption

- 2017-18
 - \$6.5 billion imposed
 - Increase of 6.8% statewide
 - \$6.6 billion extended
 - Compression decreased by 7%
- All counties with the exception of Morrow (-2.4%) saw tax revenue increase
- If property tax were a component of the General Fund it would account for approximately 40% of total revenue

Total property value

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- RMV \$621 billion, an increase of 11%
- AV \$403 billion

Urban Renewal Revenue

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- \$249 million, an increase of 11.6% from last year

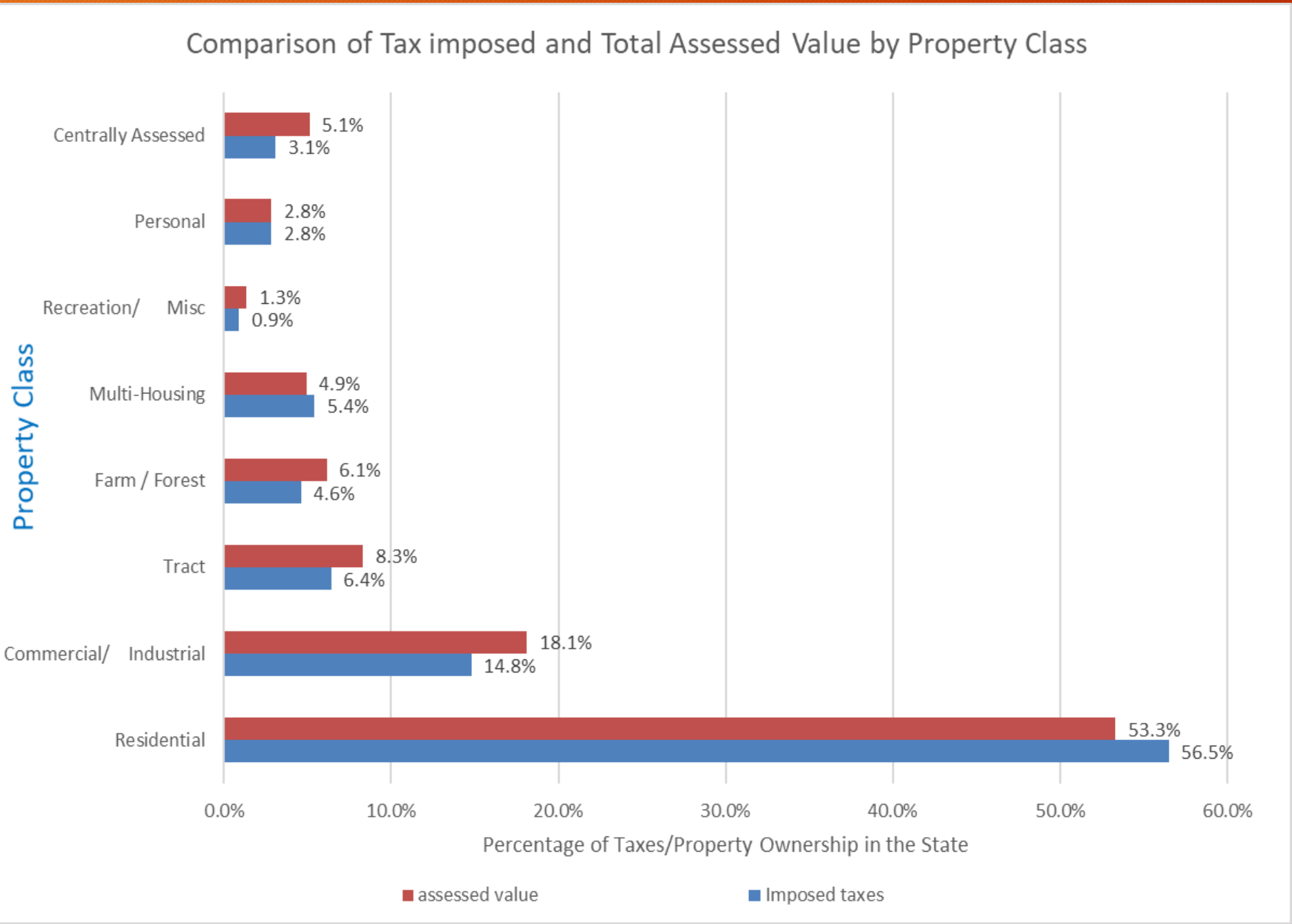
Exemptions - tax expenditures in Millions of \$s

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Tax Program	Number	Estimated Revenues 2019-21	Revenue Impact	
			2017-19	2019-21
Property	134	\$15,400.0	\$9,834.2	\$10,345.3
Full Exemption	93		\$8,629.3	\$9,051.2
Partial Exemption	27		\$644.3	\$709.6
Special Assessment	13		\$560.3	\$584.2
Other Assessment	1		\$0.3	\$0.3

Tax burden by property class

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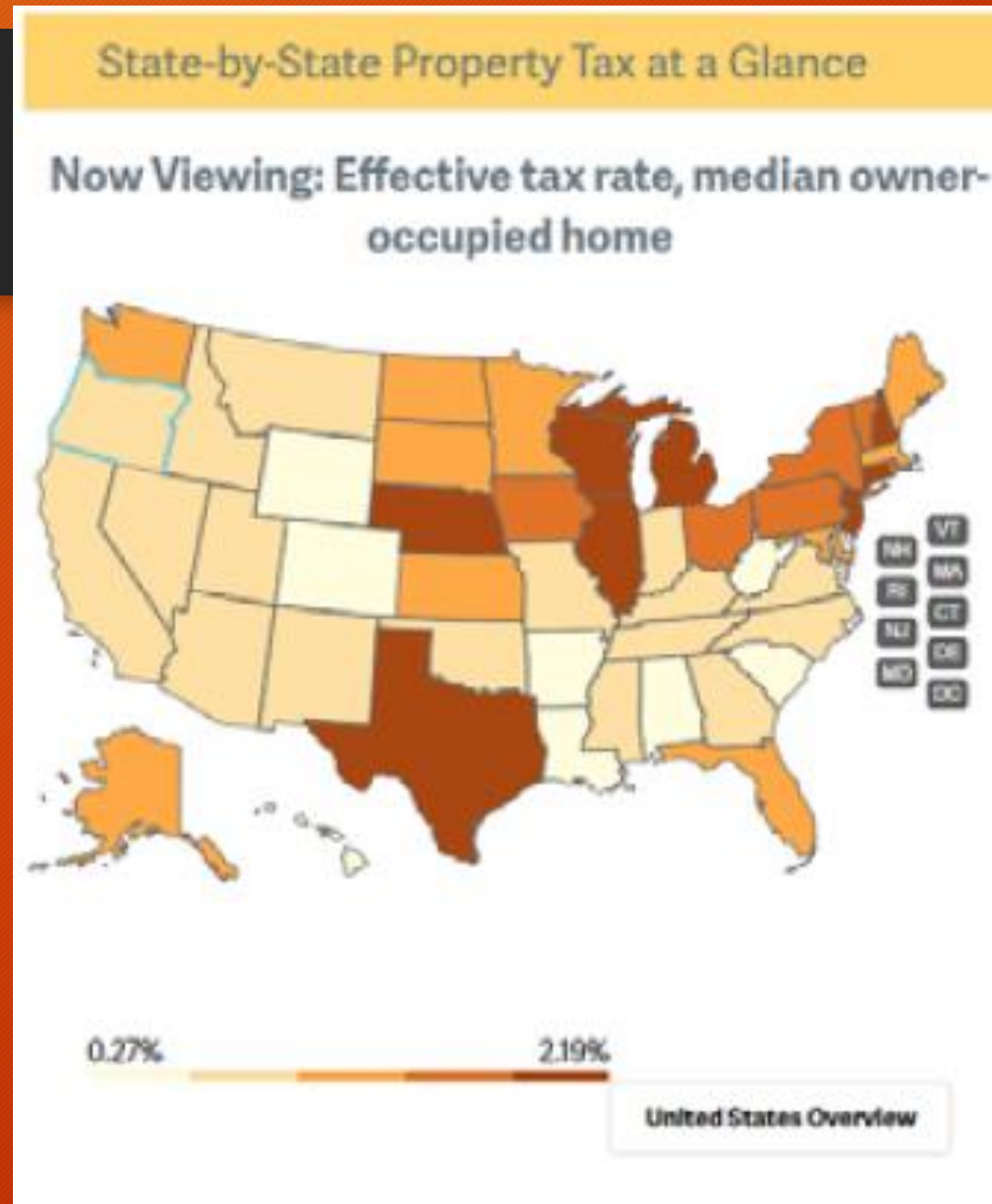
Oregon vs. U.S.

State-by-State Property Tax at a Glance : Selected Property Tax Statistics, 2014

	Per capita property tax	Rank: Per capita property tax	Rank: Effective tax rate, median owner-occupied home
U.S. Average	\$1,464		
Oregon	\$1,351	26	24

Source: *State-by-State Property Tax at a Glance*.
<http://datatoolkits.lincolnst.edu/subcenters/significant->

<https://www.lincolnst.edu/research-data/datatoolkits/significant-features-property-tax/state-state-property-tax-glance/property-tax-data-visualization#state=OR&table=&row=>



Oregon compared to the rest of the West

State	Rank: Effective tax rate, median owner-occupied home
Hawaii	0.27%
Colorado	0.60%
Wyoming	0.61%
Utah	0.68%
New Mexico	0.74%
Idaho	0.76%
California	0.81%
Arizona	0.81%
Nevada	0.85%
Montana	0.85%
Oregon	1.08%
Washington	1.08%
Alaska	1.18%
Average	0.80%