



2022 Legislative Days

Legislative Revenue Office

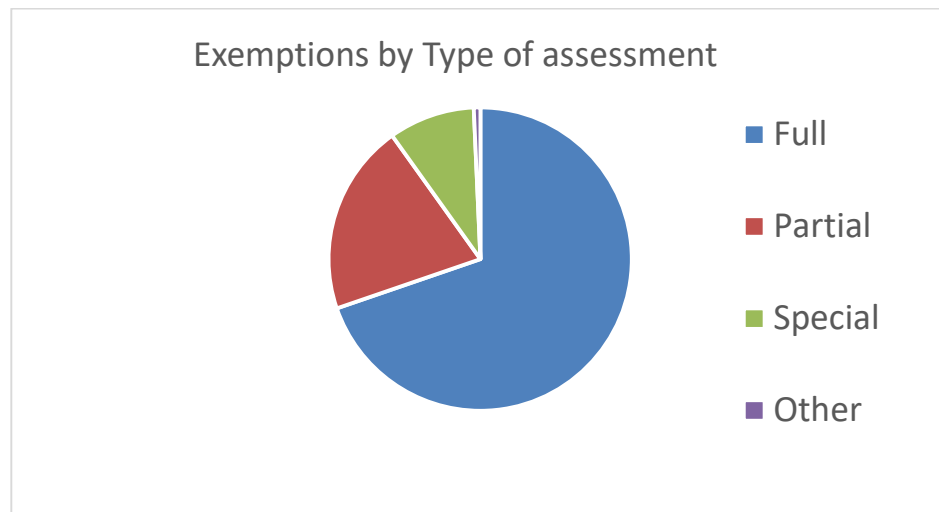
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Property Tax Exemptions

Generally, in Oregon, as a result of Measure 5 and Measure 50, property owners pay taxes on the assessed value of their property¹, not the real market value. While Real Market Value (RMV) is what you might sell your house for. Roughly, the maximum assessed value (MAV) is a cap on the assessed value of the property carried forward from the previous year. We generally think about this as the number that can go up by 3% per year.

$$AV_t = \min \{MAV_t, RMV_t\}$$

There are approximately 150 property tax exemptions and special assessments. These include government property, farms, forestland, enterprise zones and low-income housing to name a few. Total annual property taxes collected are approximately \$7 billion.



The Oregon constitution requires that properties that are either part of a special assessment or exemption program be re-valued². Section 11(2) prescribes how the cap on the value of a property must be set upon entering a special assessment or partial exemption. Section 11 (1)(c) prescribes how a property must be revalued when it exits a special assessment or exemption.

The Department of Revenue provides guidance on administration of the property tax program and the county assessors process property tax bills.

¹ The tax imposed on a particular property may be less because of compression.

² https://www.oregonlegislature.gov/bills_laws/Pages/OrConst.aspx