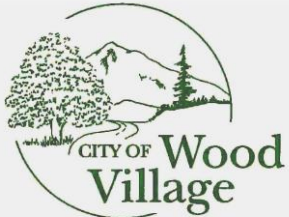


PROPERTY TAX OVERVIEW: IMPACT TO LOCAL GOVERNMENT SERVICES

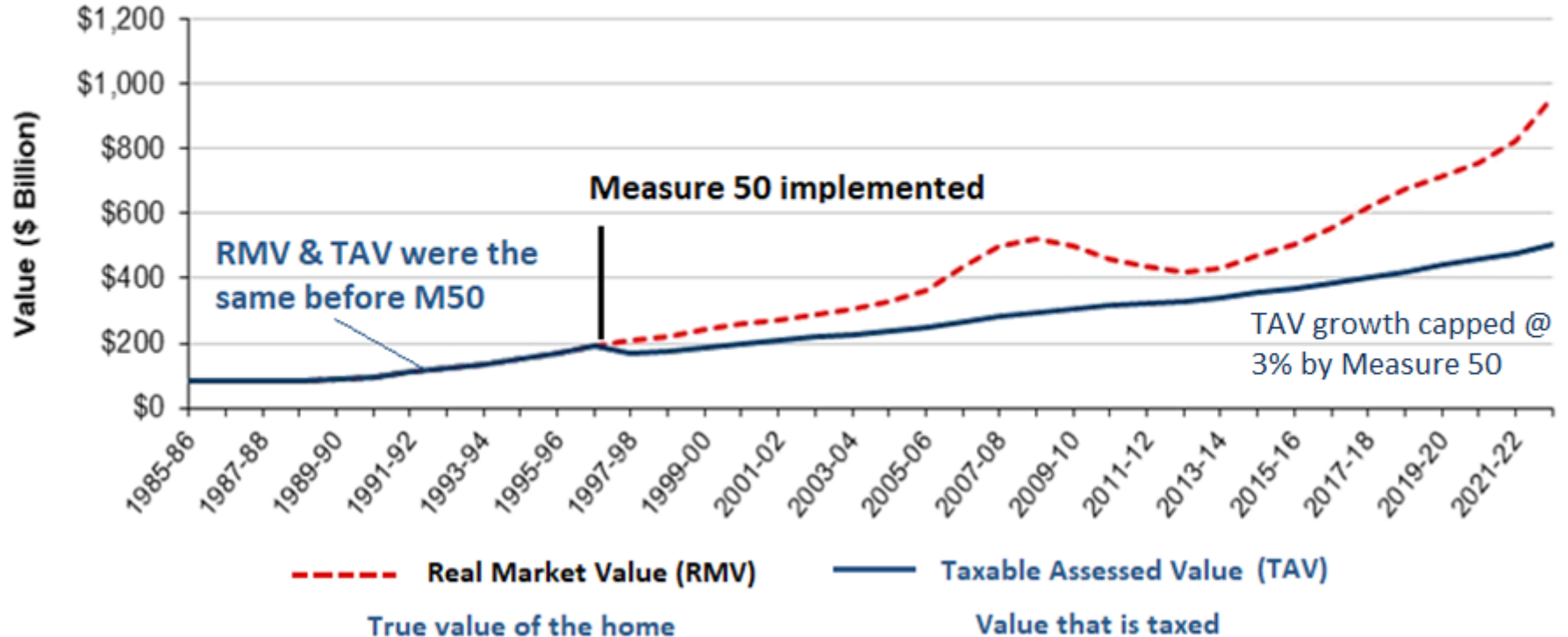


House Committee on Economic Development and Small Business

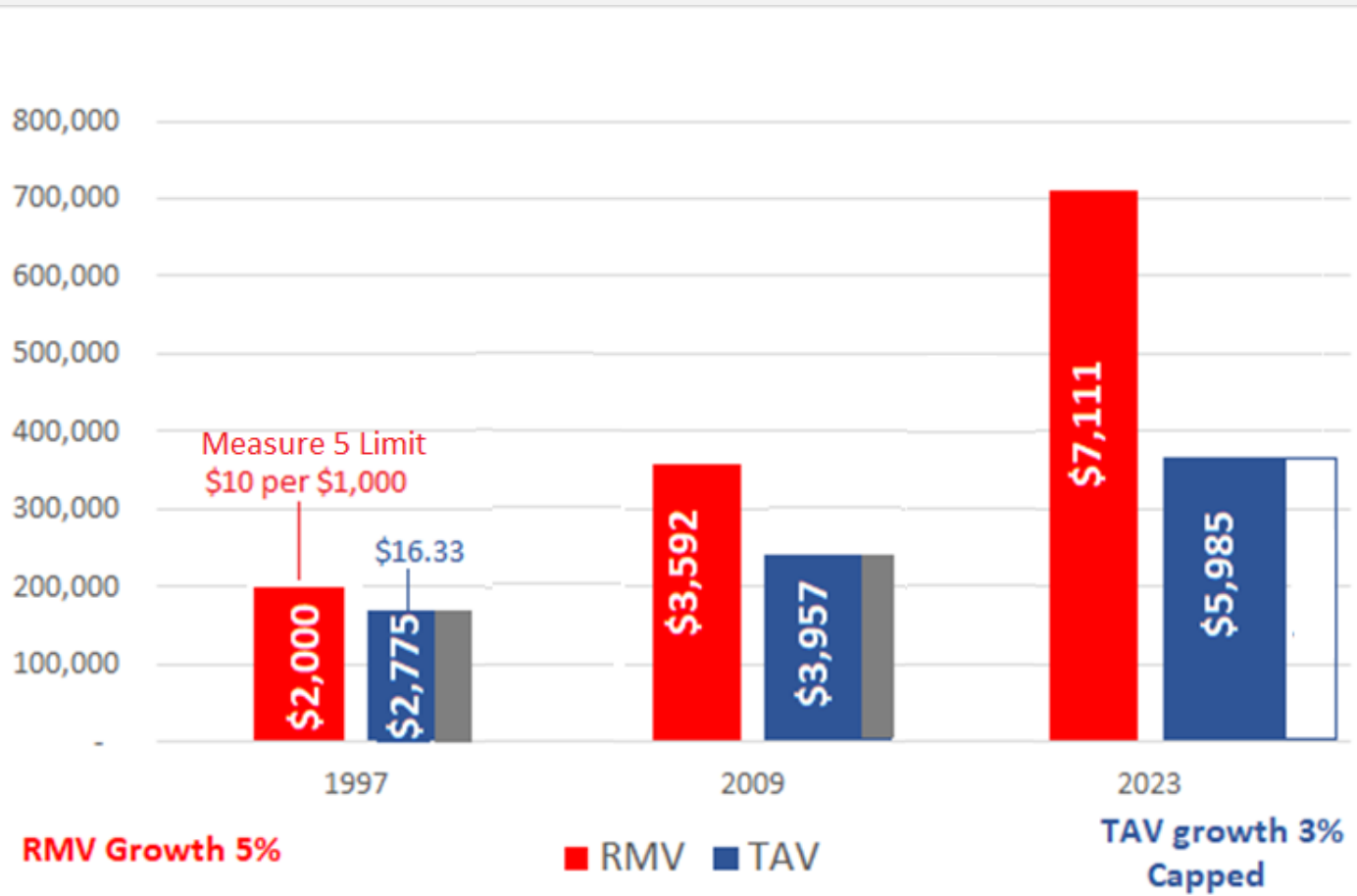
September 28, 2023

DIVERGENCE OF ASSESSED AND MARKET VALUE

Assessed and Real Market Values of Property in Oregon
FY 1985-86 to 2022-23



TAX LIMITS – SWEET HOME EXAMPLE



General Government	
Linn County	\$1.2736
Linn County - LO	2.8300
City of Sweet Home	1.4157
CoSH Police - LO	7.8500
CoSH Library - LO	1.1700
Sweet Home Fire	1.5000
Sweet Home Cemetery	0.2166
4H Extension District	0.0700
Total	\$16.3259

Local Options compress first

$$\frac{\text{TAV}}{\text{RMV}} = \text{Changed Property Ratio (CPR)}$$

TALE OF TWO HOUSES – SALEM

Sold in February 2021

Sales Price: \$365K

Assessed Value: \$259K

Property Tax: \$5,095



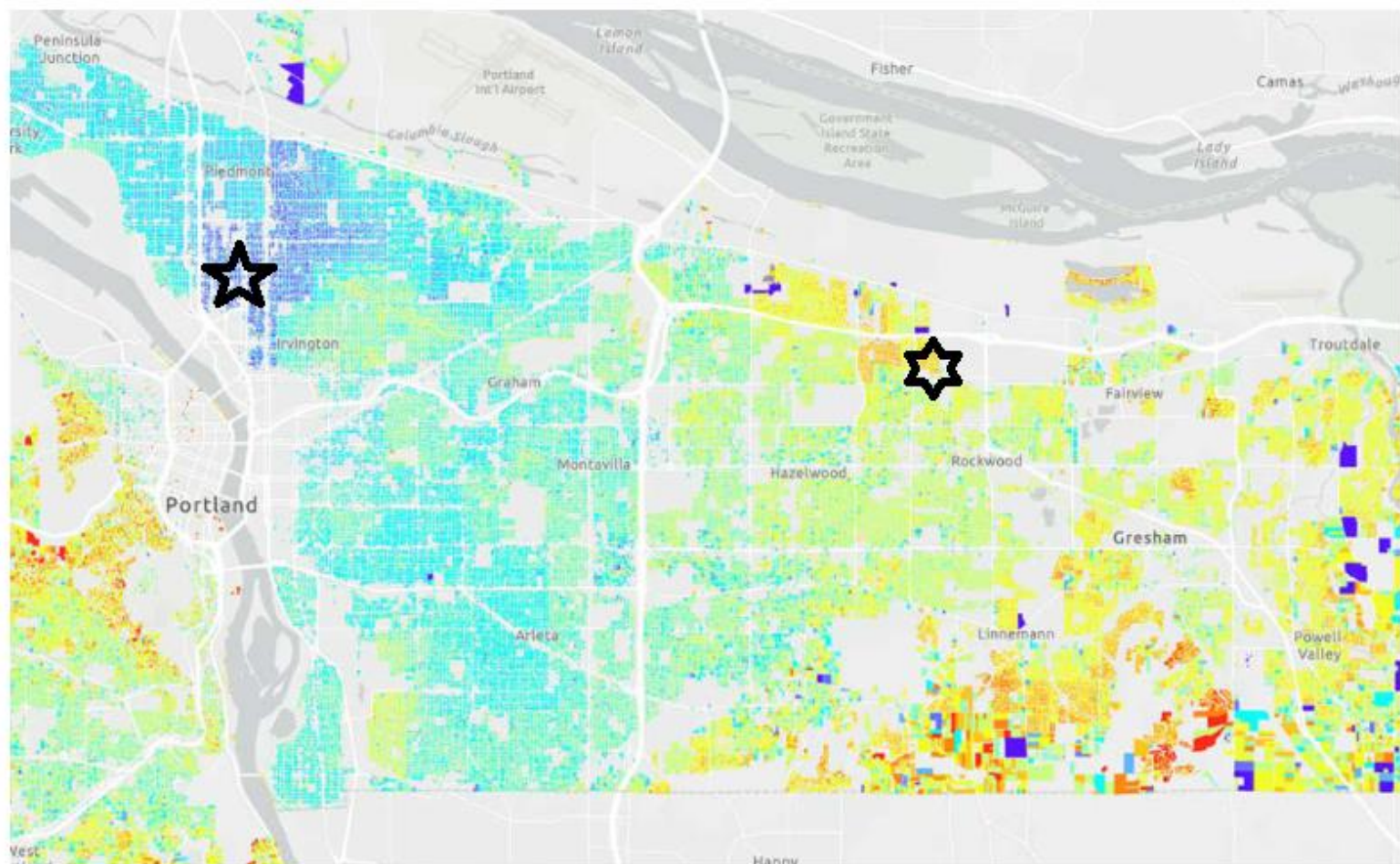
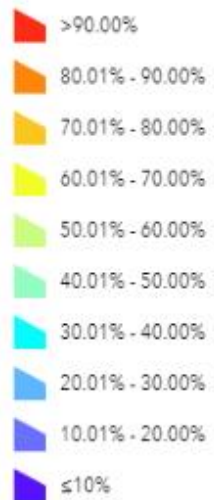
Sold in November 2021

Sales Price: \$387K

Assessed Value: \$128K

Property Tax: \$2,521



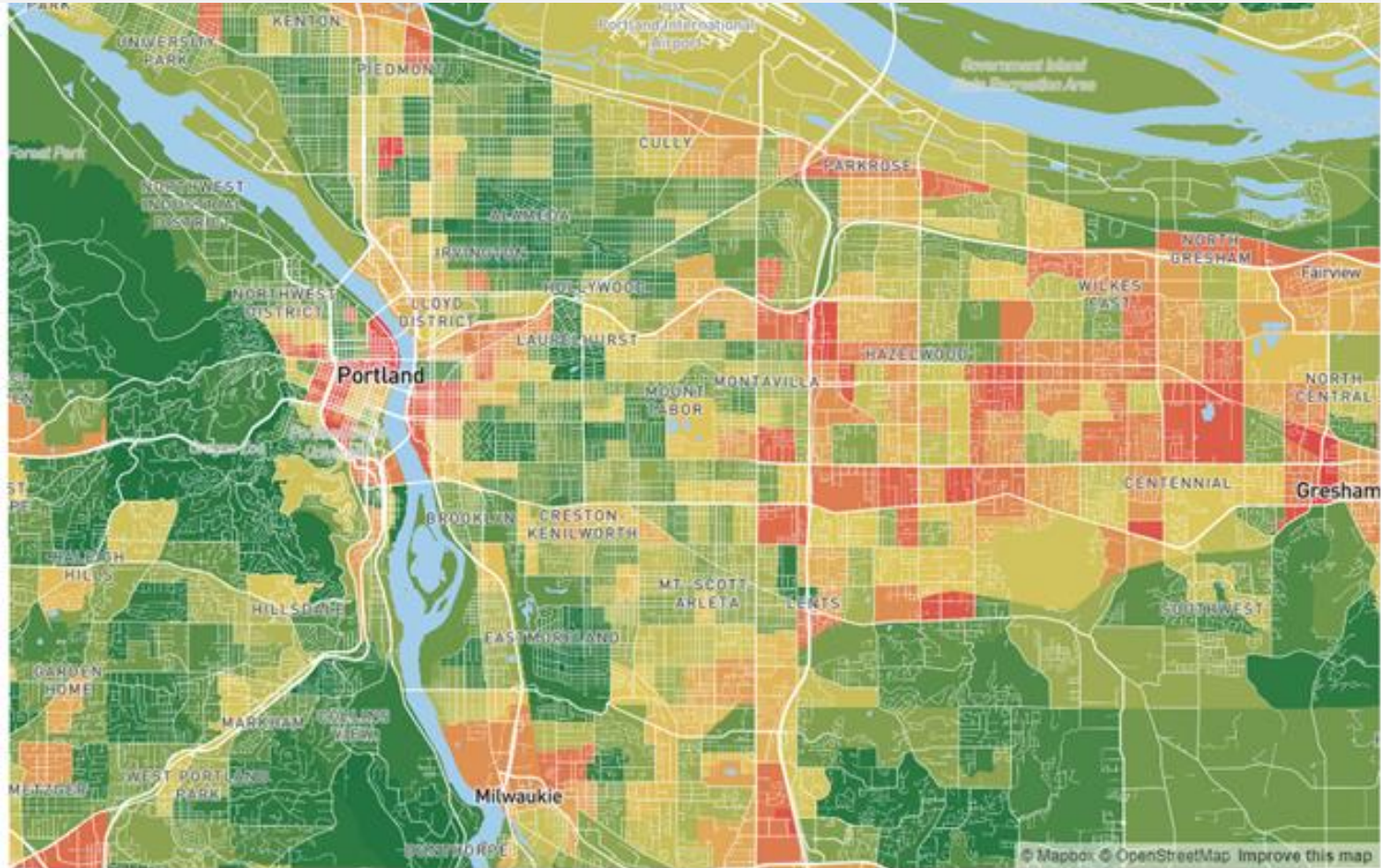


Mississippi
 CPR 30%
 RMV \$1,000,000
 TAV \$300,000
 Taxes \$4,500



Rockwood
 CPR 70%
 RMV \$428,571
 TAV \$300,000
 Taxes \$4,500

LOW RMV GROWTH ~ LOW INCOME AREAS



Household
Income
Key

High

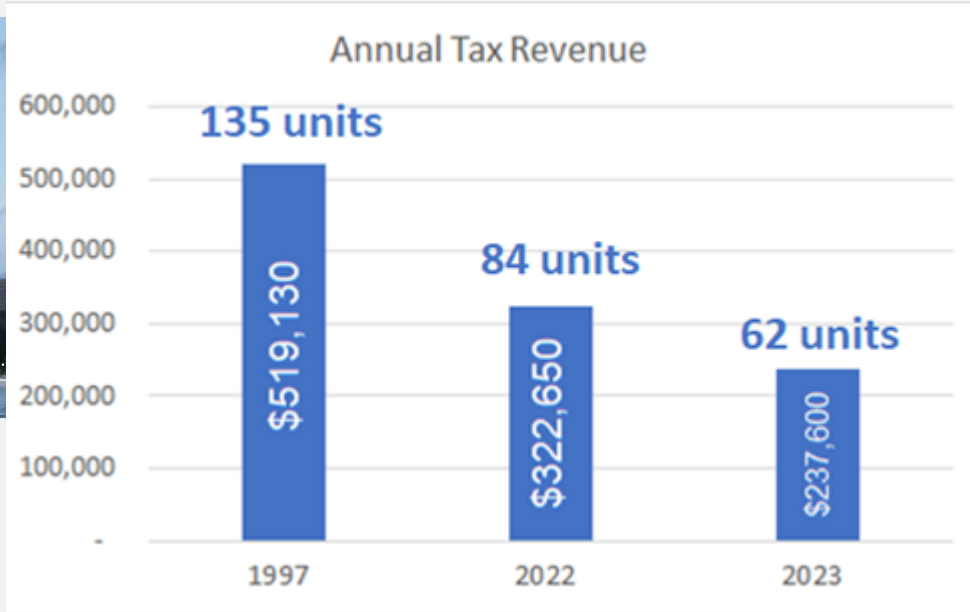
Average

Low

WHY DOESN'T NEW GROWTH PAY FOR ITSELF?



- ▶ New growth doesn't pay for the police, fire, park and school services that the residents who are moving in want.
- ▶ Existing service levels are lowered or new revenues must be raised.



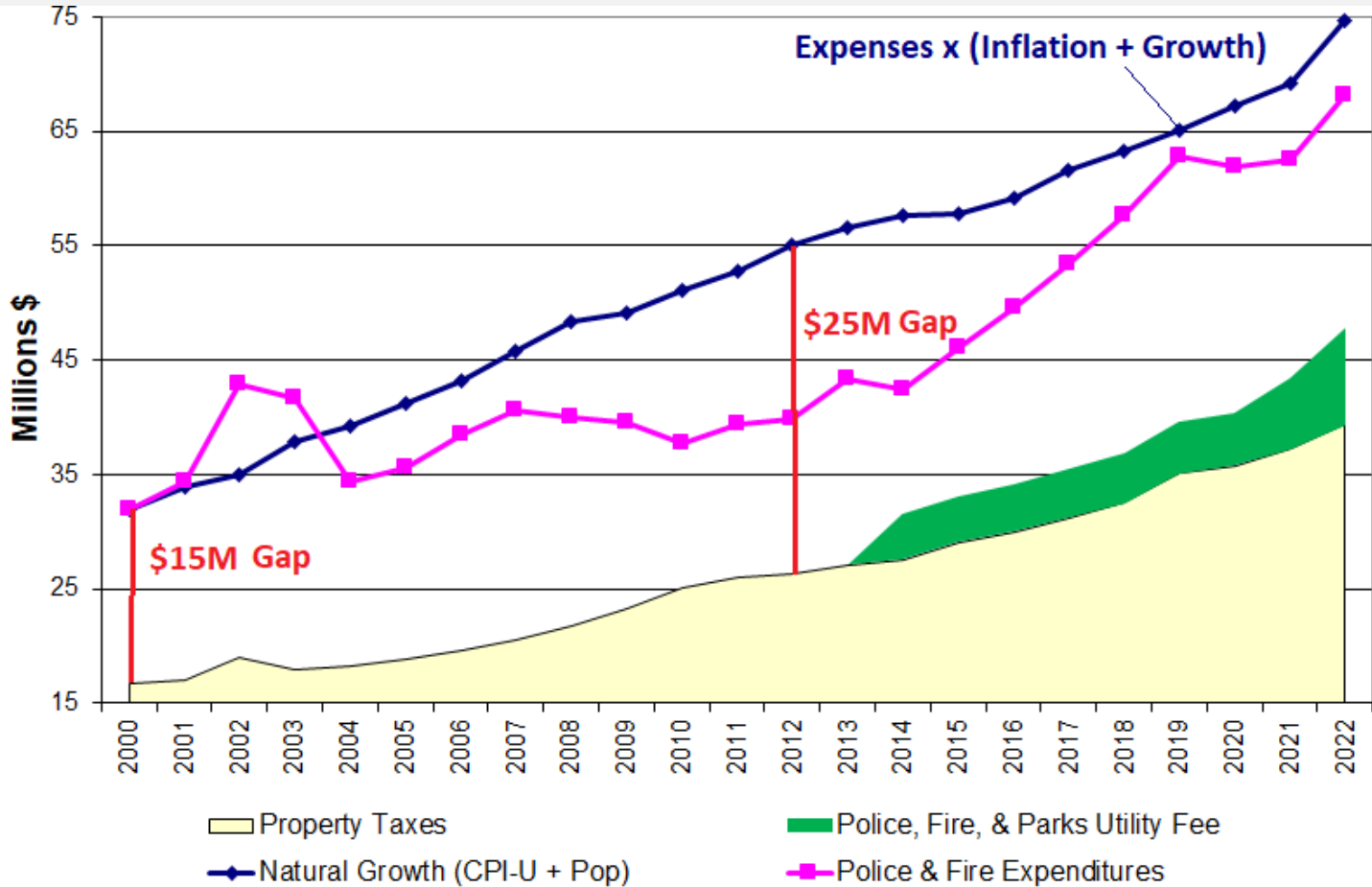
The Byway

Market Value: \$45M

Taxable Value: \$15.8M

- 4 commercial units
- 176 residential units

GRESHAM - PUBLIC SAFETY SERVICES



New growth doesn't pay for the services required.

2014 - Gresham Assessed a Public Safety Utility Fee to address service gap