

Property Tax Exemptions & Recalculating MAV

House Committee on Revenue

May 11, 2023

State of Oregon

LEGISLATIVE REVENUE OFFICE





Value Terminology

- Real Market Value (RMV)
 - Amount...paid by an informed buyer to an informed seller in a voluntary transaction
- Maximum Assessed Value
 - For 1997-98, set at 90% of 1995-96 property value
 - Grows 3% per year
- Assessed Value: the smaller of MAV and RMV
- CPR (Changed Property Ratio) is MAV/RMV (% taxable)





Determining MAV & Recalculating MAV

Oregon Constitution, Article 11, Section 11(1)(c)

- (A) The property is new property or new improvements to property;
- (B) The property is partitioned or subdivided;
- (C) The property is rezoned and used consistently with the rezoning;
- (D) The property is first taken into account as omitted property;
- (E) The property becomes disqualified from exemption, partial exemption or special assessment; or
- (F) A lot line adjustment is made with respect to the property, except that the total assessed value of all property affected by a lot line adjustment shall not exceed the total maximum assessed value of the affected property under paragraph (a) or (b) of this subsection.





Determining MAV & Recalculating MAV

Oregon Constitution, Article 11, Section 11(2)

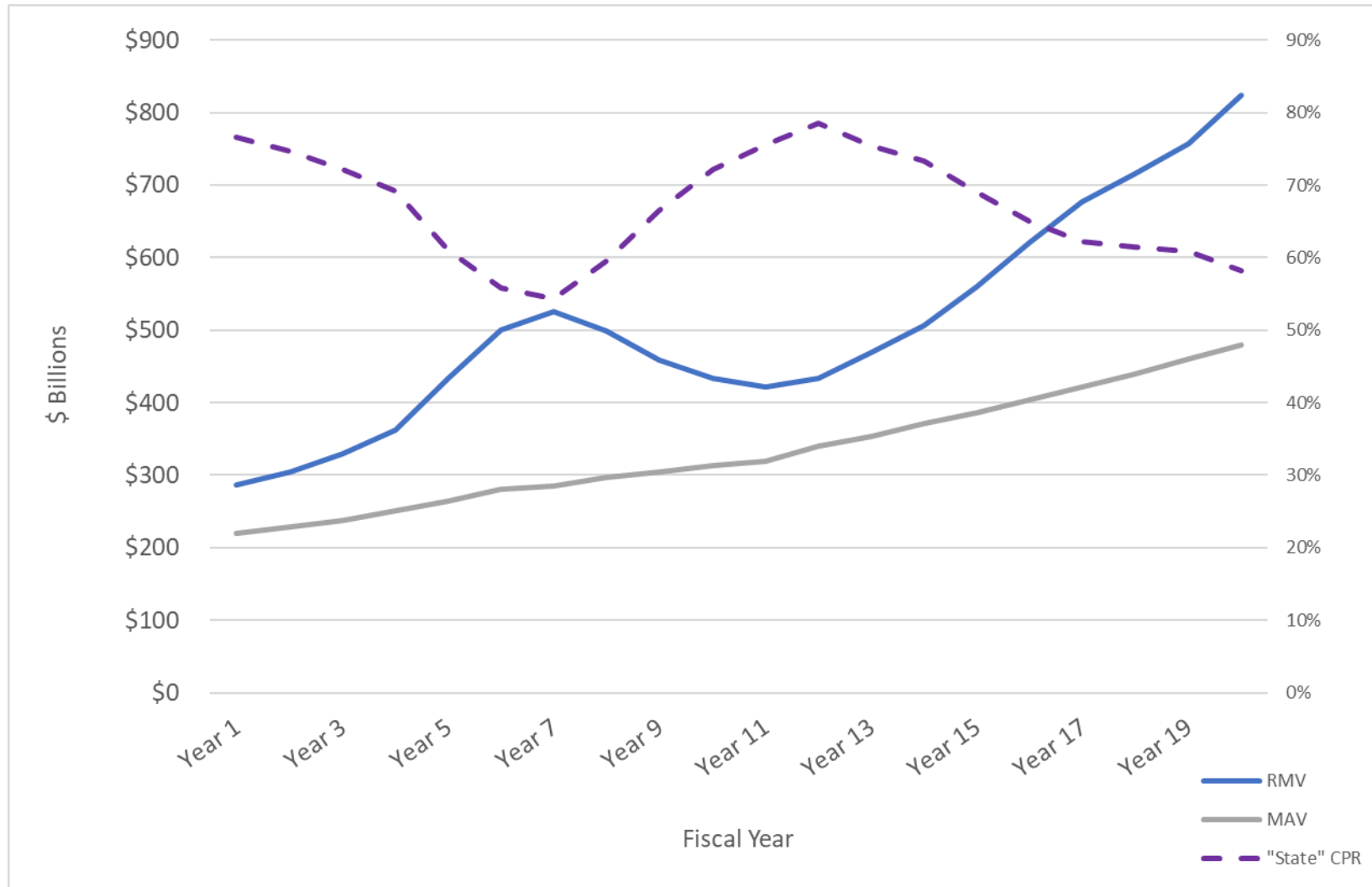
(2) The maximum assessed value of property that is assessed under a partial exemption or special assessment law shall be determined by applying the percentage reduction of paragraph (a) and the limit of paragraph (b) of subsection (1) of this section, or if newly eligible for partial exemption or special assessment, using a ratio developed in a manner consistent with paragraph (c) of subsection (1) of this section to the property's partially exempt or specially assessed value in the manner provided by law. After disqualification from partial exemption or special assessment, any additional taxes authorized by law may be imposed, but in the aggregate may not exceed the amount that would have been imposed under this section had the property not been partially exempt or specially assessed for the years for which the additional taxes are being collected.





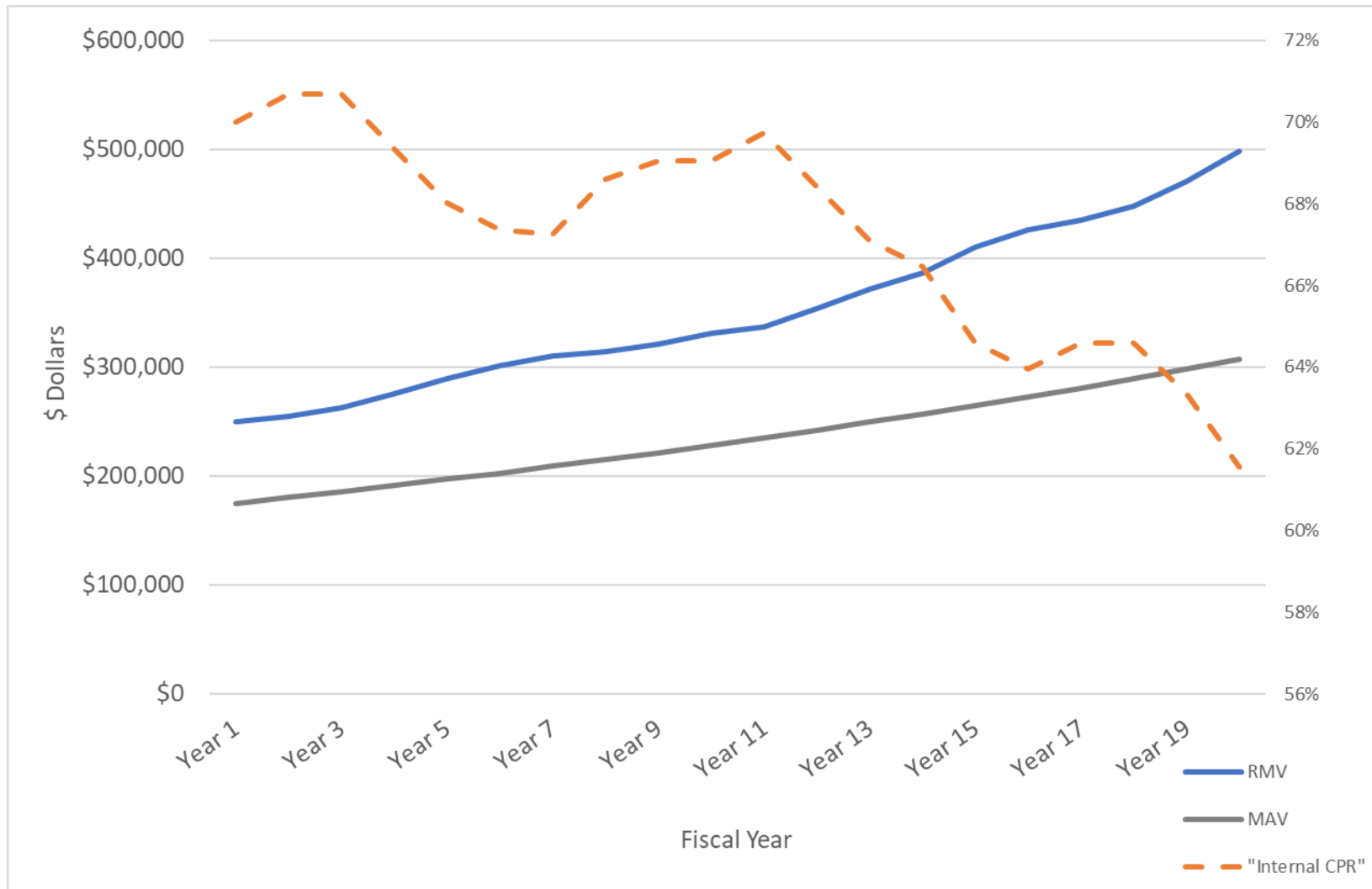
"State" Changed Property Ratio (CPR)

Year 1
 $\frac{\$220K}{\$287K} = 77\%$



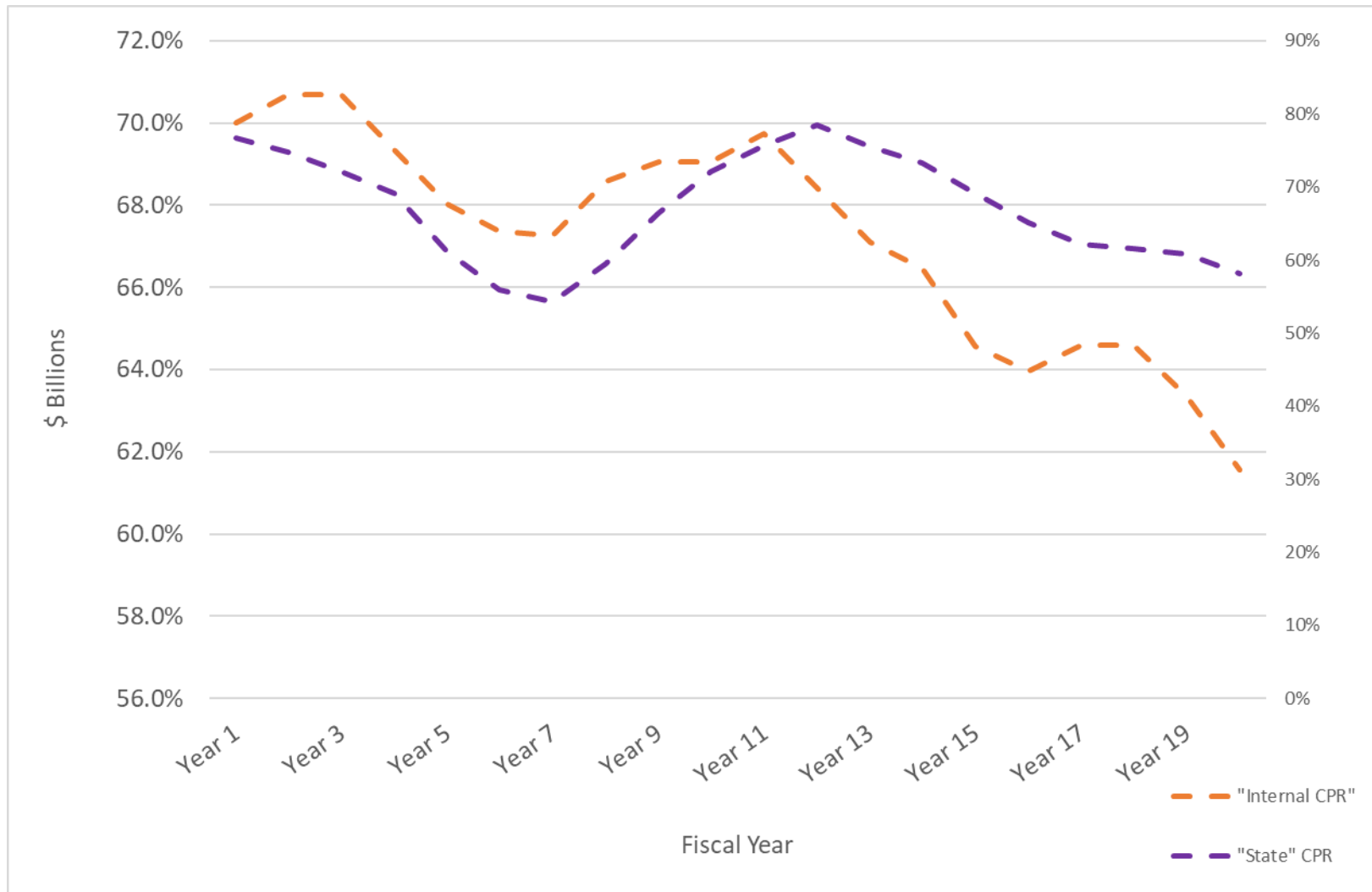


Example Home: RMV, MAV, & ICPR



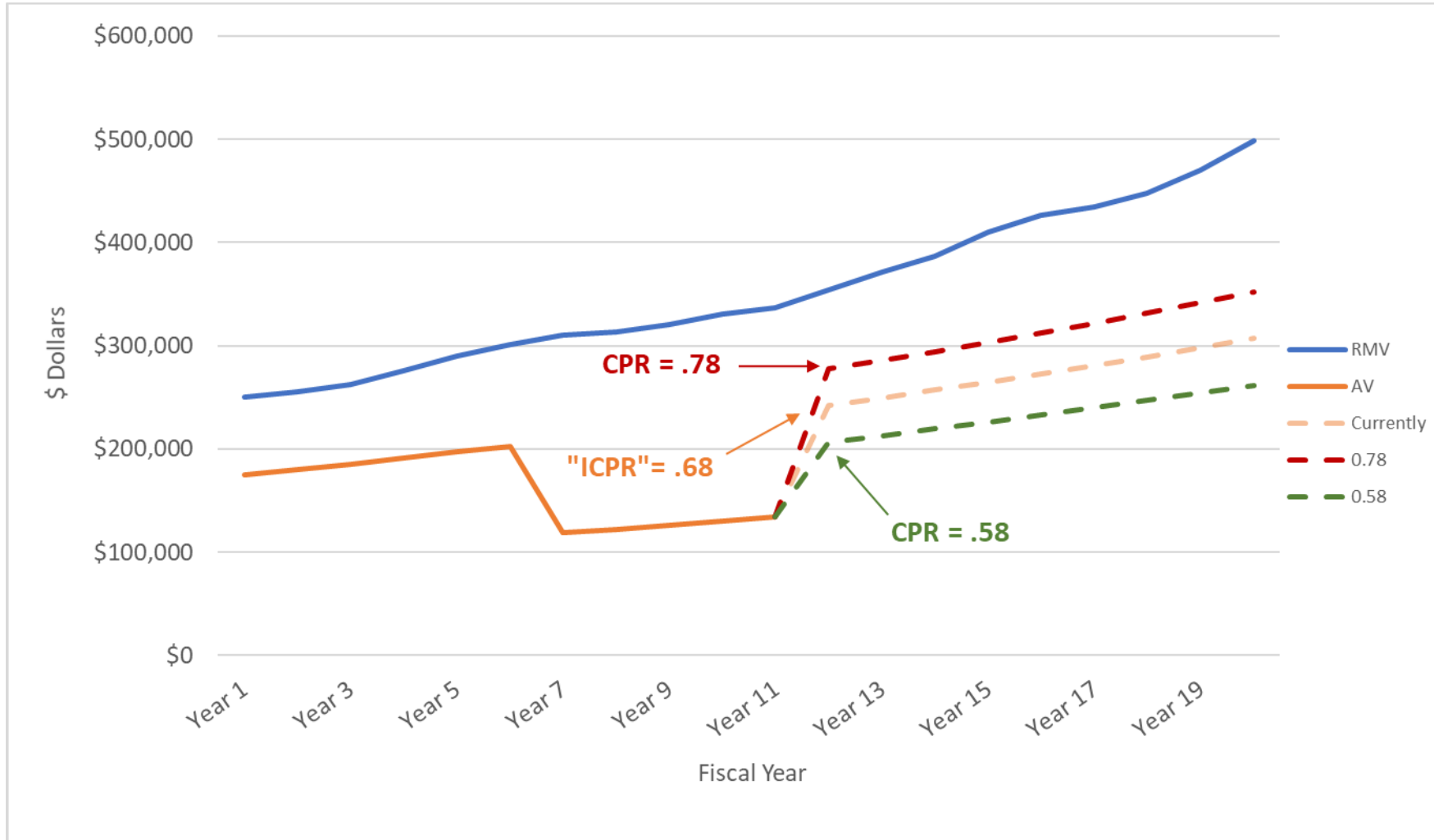


"State" CPR vs "Internal" CPR





AV Exemption and ReMAV





AV Exemption and ReMAV

