

# House Bill 3194

Sponsored by Representative RESCHKE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes method of determining whether addition of real property improvements constitutes "minor construction" for purposes of property tax law.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the definition of "minor construction" for purposes of property tax law; creating new  
3 provisions; amending ORS 308.149; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 308.149 is amended to read:

6 308.149. As used in ORS 308.149 to 308.166:

7 (1) "Area" means:

8 (a) The county in which property, the maximum assessed value of which is being adjusted, is  
9 located, including the area of any city located within the county that has adopted an ordinance or  
10 resolution pursuant to ORS 308.151;

11 (b) The city in which property, the maximum assessed value of which is being adjusted, is lo-  
12 cated, if the city has adopted an ordinance or resolution pursuant to ORS 308.151; or

13 (c) This state, if the property for which the maximum assessed value is being adjusted is prop-  
14 erty that is centrally assessed under ORS 308.505 to 308.674.

15 (2)(a) "Average maximum assessed value" means the value determined by dividing the total  
16 maximum assessed value of all property in the same area in the same property class by the total  
17 number of properties in the same area in the same property class.

18 (b) In making the calculation described under this subsection, the following property is not  
19 taken into account:

20 (A) New property or new improvements to property;

21 (B) Property that is partitioned or subdivided;

22 (C) Property that is rezoned and used consistently with the rezoning;

23 (D) Property that is added to the assessment and tax roll as omitted property; or

24 (E) Property that is disqualified from exemption, partial exemption or special assessment.

25 (c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to the calculation of av-  
26 erage maximum assessed value in the case of property centrally assessed under ORS 308.505 to  
27 308.674.

28 (3)(a) "Average real market value" means the value determined by dividing the total real market  
29 value of all property in the same area in the same property class by the total number of properties  
30 in the same area in the same property class.

31 (b) In making the calculation described under this subsection, the following property is not

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1 taken into account:

- 2 (A) New property or new improvements to property;
- 3 (B) Property that is partitioned or subdivided;
- 4 (C) Property that is rezoned and used consistently with the rezoning;
- 5 (D) Property that is added to the assessment and tax roll as omitted property; or
- 6 (E) Property that is disqualified from exemption, partial exemption or special assessment.

7 (c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to the calculation of av-  
8 erage real market value in the case of property centrally assessed under ORS 308.505 to 308.674.

9 (4) "Lot line adjustment" means any addition to the square footage of the land for a real prop-  
10 erty tax account and a corresponding subtraction of square footage of the land from a contiguous  
11 real property tax account.

12 (5) "Minor construction" means additions of real property improvements, the real market value  
13 of which does not exceed [*\$10,000 in any assessment year or \$25,000 for cumulative additions made*  
14 *over five assessment years.*]:

15 (a) **In any assessment year, 10 percent of the real market value of the real property as**  
16 **shown on the property tax assessment roll last certified before the date on which the im-**  
17 **provements were begun; or**

18 (b) **In any three consecutive assessment years, a cumulative amount equal to 20 percent**  
19 **of the real market value of the real property as shown on the property tax assessment roll**  
20 **last certified before the beginning of the first of the three assessment years.**

21 (6)(a) "New property or new improvements" means changes in the value of property as the result  
22 of:

- 23 (A) New construction, reconstruction, major additions, remodeling, renovation or rehabilitation  
24 of property;
- 25 (B) The siting, installation or rehabilitation of manufactured structures or floating homes; or
- 26 (C) The addition of machinery, fixtures, furnishings, equipment or other taxable real or personal  
27 property to the property tax account.

28 (b) "New property or new improvements" does not include changes in the value of the property  
29 as the result of:

- 30 (A) General ongoing maintenance and repair; or
- 31 (B) Minor construction.

32 (c) "New property or new improvements" includes taxable property that on January 1 of the  
33 assessment year is located in a different tax code area than on January 1 of the preceding assess-  
34 ment year.

35 (7) "Property class" means the classification of property adopted by the Department of Revenue  
36 by rule pursuant to ORS 308.215, except that in the case of property assessed under ORS 308.505 to  
37 308.674, "property class" means the total of all property set forth in the assessment roll prepared  
38 under ORS 308.540.

39 **SECTION 2. The amendments to ORS 308.149 by section 1 of this 2023 Act apply to as-**  
40 **essment years beginning on or after January 1, 2024.**

41 **SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023**  
42 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**