

SJR 201 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Sub-Referral To: Senate Committee On Rules

Meeting Dates: 2/12

WHAT THE MEASURE DOES:

Refers a proposed constitutional amendment to the people of Oregon for their consideration at the next regular general election (November 2024). The policy intent of the resolution is to remove partial assessed value exemptions and property tax credits from the process that requires the recalculation of Maximum Assessed Value at the end of an exemption program. The Oregon Constitution currently requires this recalculation to occur when a property no longer meets the requirements for participation.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

For purposes of Oregon's property tax, properties generally have a Real Market Value (RMV) and a Maximum Assessed Value (MAV). The value that is taxed is known as Assessed Value (AV), where AV is the lesser of MAV and RMV. The Oregon Constitution lists specific instances where the MAV for a given property is adjusted, or "recalculated". The ending of an exemption program is one of those instances. The "recalculation of MAV" process effectively means that the share of RMV that is taxable for the property is set equal to the average such ratio for similar property in the county where it is located. This process can result in a higher or lower level of taxation for the property subject to the recalculation.

The uncertainty that accompanies this calculation at the end of an exemption program is likely to limit the effectiveness of AV exemption programs enacted by the Legislature. This resolution, if approved by the people, would eliminate that uncertainty.