

Chapter 12

Common Ownership Properties

Condominiums

The term condominium comes from Latin and generally means “common ownership.” All condominiums have elements of common ownership set out in their declarations of creation or incorporation.

Condominium properties can be held in fee simple or leasehold ownership and are subject to unit ownership by declaration as defined in Chapter 100 of the Oregon Revised Statutes. The declaration must contain:

- A description of the land subject to unit ownership;
- A name and a description of the improvements subject to unit ownership;
- A description adequate to identify each unit of ownership;
- A description of all common elements;
- An allocation of undivided interest in the common elements and a description of the limited common elements;
- A method of determining liability;
- The voting rights allocated to each unit of ownership;
- A statement of use—residential or other;
- A procedure describing voting requirements; and
- A statement of the association’s authority to conduct miscellaneous business.

Units and Common Elements

A unit is part of a property subject to individual ownership. A legal description unique to that individual property identifies it. The declaration usually designates the interior finish surfaces as belonging to the individual unit. All interior nonbearing walls, fixtures, doors, electrical fixtures, appliances, and plumbing fixtures are typically part of the unit.

Each unit also has an undivided interest in the common elements. The amount of this interest is set forth in the declaration and is typically part of the legal description of the unit.

The “common elements” belong to the condominium association as set forth in the declaration. Common elements typically include: each unit's foundation, bearing walls, exterior covering, roof, roof cover, base wiring, base plumbing, and decks.

Commonly owned items include: all recreational facilities, miscellaneous improvements, on-site development, and landscaping. Land, including that land under the units, is part of the common ownership.

Land that the developer reserves for future expansion is not commonly owned.

Valuation

Each unit, including its undivided interest in the common elements, is valued as a single parcel of real property. This concept is the same for units in lease-fee ownership. For tax purposes, only a single “unit” RMV, including value attributable to the common elements, is calculated.

The value of the land and the commonly owned elements are almost impossible to accurately extract on a per-unit basis. This makes the cost approach unreliable (ORS-100.555).

The market approach is the preferred method of valuation for condominiums. You may assume that the sales price reflects any additional value contributed by the common elements.

Units within the same complex may not have the same amenities and each condominium complex will have different characteristics and amenities. To compare different units or complexes, conduct a matched-pairs analysis to extract the value contributed by different characteristics and amenities. Any of the following features or amenities may cause a difference in a unit's values:

- Parking facilities;
- End unit vs. interior units;
- Floor level—especially in high-rise buildings;
- Unit size and functionality;
- Number of bedrooms or baths;
- Traffic;
- Waterfront;

- View;
- Condition at time of sale; and
- Location.

The following examples of matched-pairs analysis demonstrate the primary way to extract adjustment factors for characteristic differences between units.

Example 1:

An average-quality complex built in 1985 is three stories and has no elevator. Unit 134 is an interior unit on the first floor and unit 321 is an interior unit on the third floor. Both are 1,300 square feet, have three bedrooms, two baths, and are in similar physical condition. Unit 321 sold in March for \$75,000. Unit 134 sold in April for \$80,000.

The \$5,000 difference in price is attributed to the perceived locational advantage enjoyed by the unit on the first floor. Verify with the purchaser that climbing two flights of stairs to access the unit on the third floor was a disadvantage.

Example 2:

In the same complex, consider a third sale for comparison. Unit 118 is on the first floor, it is an interior unit with 1,575 square feet, has three bedrooms and two baths, and is in average condition. This unit sold in February for \$85,000. When compared to Unit 134, size is the only difference. The \$10,000 difference in price is attributed to size. This should be confirmed with one or more parties involved in the sale.

Verified market-related differences should be used to value each unit. List the indicated unit values in the preappraisal analysis in order to explain value differences to taxpayers and as a reference to improve valuation uniformity.

An example of a Condominium Set-Up Summary is on the following page. Some valuation systems allow direct placement of the indicated values on an account-by-account basis. Other systems may require cost modifier calculations to bring individual units into alignment with the market.

Example Appraisal Set-up Summary:

Property: Green Wood Condominiums

Location: 111 Forest Road, Big City

Description: Built in 1979, the condominiums are of average quality construction. There are 80 units in four separate, two-story structures. Each unit has a single car, detached garage. The exterior has medium weight composition roofing and T-111 siding. There are three floor plans of varying size, number of bedrooms, and number of bathrooms. All units have a basic set of appliances and gas fireplaces.

Common elements:

- Swimming pool—20 × 40 feet
- Concrete decking—2,000 sq. ft.
- Asphalt paving—10,000 sq. ft.
- Landscaping—1.1 acres
- Total Land—6.75 acres

Base Unit Values: Base unit values assume average maintenance. Condition adjustments may be necessary for units displaying nontypical maintenance. These values are for the January 1 assessment date.

Three-Bedroom, Two-Bath Units

End Units	1,300 sq. ft.	\$70,000
Interior Units	1,300 sq. ft.	\$65,000
End Units	1,500 sq. ft.	\$77,000
Interior Units	1,500 sq. ft.	\$72,000

Two-Bedroom, One-Bath Units

End Units	1,156 sq. ft.	\$63,500
Interior Units	1,156 sq. ft.	\$58,500

Timeshare Estates

Timeshare estates are residential properties where fractional interests are bought and sold. Use of the property is restricted to specified periods or amounts of time. These properties can be a single-family dwelling, a lodge, individual hotel-type room(s), a full condominium-type complex, or a recreational vehicle park. The main difference distinguishing these properties from other residential property is the fractional interest ownership combined with the use restricted to a specified period of time (ORS 94.803-809).

Timeshares are to be valued and taxed as though each living unit is owned by a single taxpayer.

Valuation

Valuation of timeshare properties is controlled by ORS 94.809. This statute mandates in subsection (1) that “any nonreal property components of timeshares” be excluded from real market value (RMV) including tangible personal property, exchange rights, club memberships, vacation convenience services (such as hotel-type services), the management structure of the timeshare, and that portion of the legal, accounting, promotional and marketing costs in developing and selling the timeshares allocable to the nonreal property components. Subsection (2) states that RMV be “determined by taking the value of each individual living unit as if such living unit were owned by a single taxpayer” and adjusting that value by the amount attributable to the marketing of the timeshare property in increments of time. The statute includes a rebuttal presumption of a 20 percent increase in value for timeshare property over single ownership property.

The valuation of timeshare property is similar to that for a condominium. For the same reasons as stated in the section for Valuation of Condominiums, the market approach is the preferred method. One should derive from market transactions of condominium units a base value for each size, location, etc. of units within the complex. While this may pose a challenge if there are no sales of individual units with single ownership interests within the same complex, sales of similar units from complexes with similar amenities may need to be used. Once base values are determined, the base should be increased by 20 percent as provided in ORS 94.809(2). The party objecting to the 20 percent presumptive increase bears the burden of establishing an adjustment to account for any increase or decrease attributable to the fact that such timeshare property is marketed in increments of time.

Case law is very limited for timeshare valuation. Magistrate Case No. 981747, "Sandpiper Timeshare v. Lincoln County," November 29, 1999, gives some guidance. Also, an article in the Appraisal Journal 3 (January 1999) Edgar B. Madsen, *Timeshare Tax Assessment: Price versus Market Value*, explains that "timeshares are expensive to operate, involve risk initially and to keep viable, and in general have a value equal to a similarly equipped individually owned condominium."

Please see addendum at the end of this chapter.

- If there are separate recreational facilities associated with the timeshare and they are not part of the common area of the complex as stated in the declaration, they need to be valued and assessed separately.

Example of Calculating Timeshare Estate RMV:

See example under Valuation of Condominium. To that value, add a presumptive 20 percent. If there are recreational facilities not included as common area as part of the timeshare complex, they need to be valued and assessed separately from the living units complex.

Taxation of Timeshare Estates

All timeshare living units are listed as single accounts [ORS 94.808(2)] and the managing entity, acting as agent for the owners, is responsible for payment of the taxes.

The recreational facilities may not always be included in the declaration as common area owned by the unit owners. If they are not included in the common area, they are valued separately and assessed to the managing entity.

Planned Communities

Planned communities are properties where, in addition to the ownership of an individual lot, the property owner automatically has an undivided interest in all of the commonly held property of the homeowners' association (ORS 94.550).

Planned communities must be residential in nature and are not timeshare estates or condominiums. They are communities of single ownership. Each lot has an individual legal description and tax lot number. The most common planned communities are individually owned lots with single-family or attached dwellings.

The commonly held property may include, but is not limited to: land used as buffer strips, parks, community centers, and recreational facilities such as pools, tennis courts, and basketball courts.

Valuation

Each lot and accompanying improvements, if any, are valued separately. Commonly held land and improvements are not valued separately. Use either the market approach or the cost approach to determine value. See Chapter 6 for more detailed information on acceptable appraisal methodology.

If the cost approach is used, you must adjust it to reflect the sales prices for the planned community. This step is necessary because any contributory value of the commonly owned property is presumed to be included in the individual sale prices. The most common way to adjust cost is to apply a location modifier to the improvement value.

Establish land values by using the land sales until the time the community is fully developed. When the community is fully developed, use the land-to-building ratio to maintain proper land and building values.

Summary

Each type of commonly owned property described in this section has similarities either in ownership or in valuation requirements. The following chart provides a quick reference to compare the differences.

Common Ownership Differences			
	Condos	Timeshare	Planned Community
Value = 100 percent of RMV	Yes	Maybe	Yes
Value = 120 percent of Single Ownership Sale	No	Presumptive	No
Separate Common Element Value	No	Possible	No
Separate Land Value	No	No	Yes

ADDENDUM

Sandpiper Timeshare v. Lincoln County Assessor

1999 WL 33117358

Or. Tax Magistrate Div., 1999.

Dec. 13, 1999. (Approx. 4 pages)

Only the Westlaw citation is currently available.

AMENDED DECISION

ROBINSON, Magistrate.

*1 Plaintiffs' appeal involves the real market values (RMV) of twelve timeshare units in a complex located in Lincoln City for the 1997-98 tax year. The appeal is timely off Orders of the Lincoln County Board of Property Tax Appeals (board).

Appearing at trial for plaintiffs were Leonard Erpelding, the timeshare association manager, Ronald Rubin, President of the timeshare properties, and Frank Lasher, Consultant. [\[FN1\]](#) Defendant appeared through Charles Gross, an appraiser with the Lincoln County Assessor's Office.

STATEMENT OF FACTS

The subject property is a former motel that was expanded and converted to condominiums in the early 1980s. There are 18 units in the complex, six of which are wholly owned. The remaining twelve, which are the units under appeal, are divided into 48 to 50 weeks of separate ownership and sold on a timeshare basis. Each timeshare owner has a 1/48th or 1/50th interest in a particular unit. The specific week per year that may be occupied is a right determined at the time of sale. Some owners have a fixed week each year while others have "floating" weeks. Sandpiper maintains an affiliation with an organization called Resort Condominiums, Inc. (RCI). Some timeshare owners at Sandpiper maintain individual memberships with RCI for an annual fee of \$84, which allows them to exchange their right to occupancy at the Sandpiper for another RCI affiliated resort. The exchange is based on a complicated preference system. An exchange fee of \$118 (domestic) or \$150 (international) is charged if an RCI member exercises the right of exchange in any given year.

The parties divide the units at issue into three classes, referred to as "6's", "7's", and "8's". The 6's are the smallest at 505 to 546 square feet. The 7's are 885 square feet and include a fireplace and a Jacuzzi. The 8's are 1,252 square feet and include a fireplace, a second bedroom and 6-person hot tubs.

The condominiums originally sold for \$4,500 to \$8,500 per timeshare interest (one week ownership interest per year), after physical upgrade and remodeling of the units. When originally marketed, a 43 percent sales commission was paid to Summers Realty, a professional marketing organization specializing in timeshare sales. The typical sales commission for real estate is six or seven percent. An average of 49 interests were sold in each condominium unit. There are 588 weeks owned by timeshare arrangement (12 condominiums x 49 weeks = 588). Resale prices of timeshare weeks in the subject property between April 1995 and August 1997 ranged from a low of \$1,300 to a high of \$4,000. Of the 14 sales during that period, all but two sold for less than \$3,000. (Ptf's Attachment 3). The majority sold for between \$2,000 and \$2,500.

There are certain dues paid by timeshare owners to cover the costs of cleaning, hospitality and management. The annual cost per "owner" (based on fractional interests of 1/48th or 1/50th) is

between roughly \$250 to \$375, depending on the size of the unit. (Ptfs' Written Narrative, dated Feb. 24, 1999, at 4). There is also an annual fee of \$25. Plaintiffs contend these expenses are not related to the real property and stem from the unique timeshare mode of operation. Accordingly, plaintiffs assert that these costs should not be included in the RMV. The uncontroverted testimony was that in some cases timeshare owners have given away their property interest to avoid these annual costs and that some recipients of that unpurchased interest later relinquished title.

*2 The pertinent assessment data is set out in the footnote below. [\[FN2\]](#) County RMVs for the six timeshare units referred to as 6's range from \$100,840 (unit 206) to \$109,030 (units 104, 203, 204). The 7's have RMVs of \$135,930, \$147,250 and \$152,920. The 8's are valued (RMV) at \$208,330, \$224,350 and \$232,370. These values are said to include a 20 percent upward adjustment applied by the Assessor's Office pursuant to [ORS 94.809](#) (below). Plaintiffs object to the increase over single ownership units, because the increase is referred to in the statute as a rebuttable presumption which plaintiffs believe is overcome by the evidence.

Plaintiffs request the following relief:

1. Removal of the 20 percent increase in value provided by statute;
2. Removal of the nonreal property components value; and
3. A further adjustment to reflect the alleged decrease in value attributable to the marketing of fractional interests in time increments.

COURT'S ANALYSIS

The parties agree that the applicable statute is [ORS 94.809](#), which mandates in subsection (1) that "any nonreal property components of timeshares" be excluded from RMV and, in subsection (2), that RMV be "determined by taking the value of each individual living unit as if such living unit were owned by a single taxpayer" and adjusting that value by the amount attributable to the marketing of timeshares in increments of time. The statute includes a rebuttable presumption of a 20 percent increase in value for timeshares. [ORS 94.809\(2\)](#). There are no reported cases addressing the statute. Nor have any administrative rules been promulgated.

The Assessor's Office valued the units based on comparable sales to determine a base value, and then increased the base value by 20 percent, as provided in [ORS 94.809\(2\)](#). No adjustments were made under subsection (1) of [ORS 94.809](#) to remove any nonreal property components. Defendant contends such costs are not part of their value. Plaintiffs disagree, arguing that the Assessor has included nonreal components which must be removed.

At trial, defendant's approach to establishing the validity of the RMV on the rolls for 1997-98 was fairly straightforward and depicted in tables for the three size units involved. (Def's Ex 3, 4 & 5). Mr. Gross starts with a base value for each size unit, derived from market transactions of condominium units, including recent sales of units in the Sandpiper complex. All comparables are ocean front condominiums or motel units in Lincoln City with floating populations (as opposed to residential, one owner units). He makes slight adjustments within each class (6's, 7's and 8's) for time, size and "miscellaneous" features (beach access, parking, etc.). Adding to that the 20 percent statutory increase produces final indicated values which, he argues, support the values (RMV) on the tax rolls.

For their part, plaintiffs present a more complex approach to value, based on actual sales of units within the Sandpiper complex between 1995 and 1997, plus individual timeshare week sales. A weighted formula is applied to the timeshare sales. Plaintiffs assert that, collectively, the sales demonstrate that market values are well below the values set by the Assessor. Additionally, units offered for sale are introduced, presumably to demonstrate reduced interest and thus lower values because of reduced asking prices. (Ptfs' Ex 4). As an overall indication of value, plaintiffs make adjustments to the Assessor's base value to remove the 20 percent statutory increase and then make further adjustments to account for other expenses allegedly not part of the realty.

20 Percent Increase

*3 The first question is whether the 20 percent statutory increase is appropriate in this case, either wholly or in part. The relevant portion of the statute reads:

"(2) The real market value of timeshare property, other than the recreational facilities, shall be determined by taking the value of each individual living unit as if such living unit were owned by a single taxpayer, without having been timeshared, and adjusting such value by an amount necessary to reflect any increase or decrease in such value attributable to the fact that such timeshare property is marketed in increments of time. There shall be a rebuttable presumption that the value of such timeshare property is increased by 20 percent of its value under single ownership by virtue of being marketed in increments of time. If the managing entity or assessor contends that the adjustment due to such ability to market in increments of time is less than or greater than an increase of 20 percent of the single ownership value, then the burden of establishing such adjustment shall be upon the party so contending." [ORS 94.809](#).

As can be seen from the quoted text above, the party objecting to the 20 percent presumptive increase bears the burden of establishing an adjustment thereto. *Id.* The adjustment is to account any "increase or decrease * * * attributable to the fact that such timeshare property is marketed in increments of time." *Id.* The statute presumes an increase in value over similar non-timeshare units of 20 percent.

In rebutting the presumption, plaintiffs relied primarily on resales of individual timeshare weeks within the Sandpiper. Defendant used sales of nearby ocean front condominium/motels with floating populations. A careful review of the evidence suggests the 20 percent presumptive increase is not appropriate for all units.

Looking first at plaintiffs' evidence, the formula used is based on individual timeshare resales, which are then weighted to recognize differing values for different time periods. (Ptf's Exs 1, 2 & 3). Mr. Gross acknowledges that resale prices of timeshares are "notoriously low." The evidence bears this out with regard to the Sandpiper. While original purchases in the 1980s were between \$4,500 and \$8,500 per timeshare week, resales in the mid-90s are between \$1,200 and \$4,000. (Ptf's Attachment 3 and Ex 1). A crude examination of the sales data reveals initial purchases were at least twice their resale price ten or more years later. According to plaintiffs, lower resale prices are typical for timeshares because only one week is generally for sale, which makes these listings unattractive to Realtors, who are paid a small percentage of the selling price (6 or 7 %).

The court finds some merit in that explanation. An additional factor, and one perhaps more to the point, is that initial sales of timeshares typically involve high pressure sales techniques because volume sales are needed to get the operation up and running and multiple sales are necessary (49 here) to "sell" each unit. Edgar B. Madsen, *Timeshare Tax Assessment: Price Versus Market Value*, *The Appraisal Journal* 3 (January 1999). The article explains that timeshares are expensive to operate, involve greater risk initially and to keep viable, and in general have a value equal to a similarly equipped individually owned condominium. *Id.* This may explain why the statute provides for removal of nonrealty components in determining value. However, the ultimate goal in the context of this valuation appeal is to establish market value, as required by [ORS 308.205](#).

*4 Looking again at plaintiffs' evidence, there are problems with their methodology. Principal among them is that sales were limited and extrapolations produce widely disparate conclusions that cannot be adequately reconciled. For example, adjusted annual timeshare values from actual sales show values for the 6's ranging from \$76,000 to \$114,000 in 1995 and an indicated 1997 value (unit 204) of only \$50,000. (Ptf's Ex 2, at 3). Moreover, unit 204 had an indicated value of \$100,000 in 1996 and only \$50,000 a year later. *Id.* Similarly, unit 308 dropped, by plaintiffs' estimation, from \$156,000 in 1995 to \$99,000 in 1997. The explanation lies in part with the fact that while intuitively some time periods (summer) are more popular for tourists and thus should have higher sales prices, actual sales did not follow that pattern. This appears to have

confounded plaintiffs' weighting. Plaintiffs did not argue, and the court does not believe, that the market declined drastically between 1995 and 1997. Rather, the difference in units sold confounded plaintiffs' extrapolations.

Plaintiffs' own evidence seems to support defendant's RMVs for the 6's. Plaintiffs determine a range of between \$100,000 and \$114,000 in 1996 (Ptf's Ex 3, at 3) and defendant's 1997 roll values for these units are between \$101,000 and \$109,000 (rounded). Sales of wholly-owned units within the Sandpiper also support the county's roll values for the 6's. One unit sold in June 1996 for \$100,000 and another in August 1997 for \$130,000. (Ptf's Ex 1, at 2). As explained above, at least one commentator found wholly-owned units have values similar to timeshare units. Madsen, *The Appraisal Journal* at 3. Therefore, the 20 percent statutory increase provided by [ORS 94.809\(2\)](#) is appropriate for the "6's". That is, there is no basis for reducing RMV roll values for these units.

The "7's" tell a similar story. Indicated values, derived from sales deemed comparable by Mr. Gross, generally exceed the RMV on the rolls. (Def's Ex 4). Plaintiffs had little information on this category, because few "7" timeshare sales occurred (all in 1997). Plaintiffs' indicated value is \$85,000, which is at least \$15,000 below the value of the lesser quality 6's as established by their own data. This may be explained by the fact that the middle category within this size unit ("Blue" = near-peak) sold for more than the better period ("Red"). (Ptf's Ex 1, at 1). Whatever the explanation, the court finds plaintiffs' evidence in this instance unpersuasive. Defendant's evidence suggests market value is equal to (Unit 107) or above (Units 207 & 307) RMV on the rolls. (Def's Ex 4). Accordingly, the 20 percent increase, said to be a part of current roll values, is appropriate for the 7's as well. No adjustment in RMV is warranted.

A different conclusion is drawn with respect to the 8's, based on the county's own data, in that indicated *market* values are considerably below current roll values. [\[FN3\]](#) This evidence argues against application of the statutory increase for the 8's. The court finds defendant's market evidence supports values of \$170,000 for unit 108, \$190,000 for unit 208 and \$210,000 for unit 308. The court is mindful of the fact that plaintiffs dispute the higher value determinations for second and third floor units but they have not supported their objection with persuasive evidence.

*5 Having established that the 20 percent increase is unsupported by the evidence with regard to the upper end units (8's), but appropriately applied to the other units, the court turns to plaintiffs' second concern.

Removing Nonrealty Components

Plaintiffs propose an elaborate formula for adjusting the county's RMV to remove "nonrealty" components. For its part, defendant responds that these components are not part of their roll values.

A review of the pertinent portion of the statute is in order. [ORS 94.809](#) provides in part: "(1) The real market value of timeshare property shall not include any nonreal property components of timeshares, which nonreal property components include, without limitation, tangible personal property, exchange rights, club memberships, vacation convenience services such as hotel-type services and the management structure of the timeshare plan, and that portion of the legal, accounting, promotion and marketing costs in developing and selling the timeshares allocable to the nonreal property components. The real market value of timeshare property shall not be based upon the aggregate sales prices of timeshares, if such sales prices include nonreal property components."

The statute clearly proscribes inclusion of nonrealty components in establishing value, but the county's evidence suggests that in most cases the RMV on the roll is below market. If that is true, nonrealty components are not a part of RMV and it would be improper to deduct them from the roll value.

There are several readily discernable problems with plaintiffs' six step formula. Principal among them is the subtraction of exchange costs borne by an individual timeshare owner who desires

to swap his one week occupancy at the Sandpiper for another location. These costs are not a necessary part of timeshare ownership but instead are voluntarily assumed. There are two such fees, the \$84 annual fee, paid to join the organization, and the actual exchange fee, which only becomes due if the owner chooses to swap locations. Again, both are voluntary and not a necessary cost of timeshare ownership. Moreover, these costs are paid by the individual owners, not the timeshare organization. It could easily be argued that value would be higher without these additional, ongoing expenses.

Another, more fundamental problem with plaintiffs' proposed methodology is that certain expenses are deducted from the county's RMV roll value and it is not clear they are included by the county.

Plaintiffs suggest the court mechanically remove annual fees and dues and exchange costs. The annual dues and fees (excluding the exchange fees discussed above) amount to between \$272 and \$402 per "owner", depending on the unit. Plaintiffs assert that these dues and fees, which are paid by timeshare owners to cover the costs of room cleaning, hospitality services, and management expense, are unique to timeshare operations as compared to owner-occupied condominiums. The court would agree. However, while the statute certainly precludes the inclusion of nonreal property components, the question is whether they have in fact been included. The evidence is unclear, but suggests they are not part of the current roll values. The market values demonstrated in defendant's report tend to support current roll values, except for the "8's", as explained above. Plaintiffs' values are unreliable. Accordingly, no further adjustments are warranted.

Time Increment Marketing Adjustment

*6 Turning to the final issue raised, plaintiffs contend that an adjustment is necessary to account for the fact that timeshares are marketed in time increments. This contention is presumably based on the language in subsection (2) of the statute. The court does not agree that such an adjustment is warranted.

The language in subsection (2) provides for an adjustment to RMV "to reflect any increase or decrease in such value attributable to the fact that such timeshare property is marketed in increments of time." [ORS 94.809\(2\)](#). This language, however, is part of the 20 percent presumption discussed above, which the court has concluded is appropriate for all but the upper end units (108, 208 & 308). It does not open the door to a separate adjustment.

The statute begins by establishing that "[t]he real market value of timeshare property * * * shall be determined by taking the value of each individual living unit as if such living unit were owned by a single taxpayer, without having been timeshared, and adjusting such value by an amount necessary to reflect any increase or decrease in such value attributable to the fact that such timeshare property is marketed in increments of time." [ORS 94.809\(2\)](#). It then provides for a rebuttable presumption "that the value of such timeshare property is increased by 20 percent of its value under single ownership *by virtue of being marketed in increments of time* ." *Id* (emphasis added). This factor has already been addressed.

CONCLUSION

Plaintiffs have asked for a reduction in the RMV of certain timeshare condominium units on three grounds. They rely on [ORS 94.809](#) for relief. The court has carefully reviewed the evidence and the law and concludes some relief is appropriate based on an adjustment to the statutory increase found in subsection (2), which exists as a presumption that may be rebutted either by the owner or the Assessor. Specifically, the RMV of the upper end units, referred to by the parties as "8's", is reduced as set out below. The RMV of the other units under appeal is not changed.

IT IS THE DECISION OF THE COURT that, for tax year 1997-98, the value was as follows:

- the RMV of unit 108 was \$170,000;
- the RMV of unit 208 was \$190,000;
- the RMV of unit 308 was \$210,000.

The RMVs of the remaining units are unchanged. Assessed values shall be adjusted accordingly.

[FN1](#). For purposes of ad valorem taxation, the managing entity is, by statute, the "taxpayer." [ORS 94.808](#).

[FN2](#). Pertinent assessment data is as follows:

Unit # Size Co. ID '97 RMV '97 MAV

6's

102 508 R285365 \$101,440 \$77,740
104 546 R290087 \$109,030 \$83,570
202 508 R299479 \$101,440 \$77,740
203 546 R301828 \$109,030 \$83,570
204 546 R304303 \$109,030 \$83,570
206 505 R308973 \$100,840 \$77,280

7's

107 885 R313642 \$135,930 \$121,960
207 885 R318393 \$147,250 \$132,120
307 885 R323092 \$152,920 \$137,210

8's

108 1,252 R315958 \$208,330 \$175,730
208 1,252 R320700 \$224,350 \$189,250
308 1,252 R325467 \$232,370 \$196,010

[FN3](#). Unit 108 has a roll value of \$208,330 compared to an indicated market value, without the 20 percent increase, of \$169,680. Unit 208 has an

indicated value of \$189,650 compared to a roll value of \$224,350. Unit 308 has an indicated value of \$209,613 and a roll value of \$232,370. (Def's Ex 5).

Or.Tax Magistrate Div., 1999.
Sandpiper Timeshare v. Lincoln County Assessor
1999 WL 33117358 (Or.Tax Magistrate Div.)
END OF DOCUMENT

Copr. (C) West 2003 No Claim to Orig. U.S. Govt. Works