How to Appeal Your Property Value

OREGON DEPARTMENT OF REVENUE

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General information

In Oregon, property taxes are assessed for real property, machinery and equipment, manufactured structures, business personal property, and floating property. Oregon has an ad valorem property tax system, which means the property taxes you pay are based on the value the county assessor establishes for your property.

The assessor determines the value of most taxable property on January 1, prior to the beginning of the tax year. The tax year runs from July 1 through June 30. January 1 is called the "assessment date." The assessor's determination of value will appear on the tax statement mailed to you in October.

The following terms and definitions are provided to help you understand how your property is valued and assessed.

- **Real market value (RMV)** is the value the assessor has determined your property would sell for on the open market as of the assessment date. RMV appears on most property tax statements.
- **Maximum assessed value (MAV)** is the greater of 103 percent of the prior year's assessed value or 100 percent of the prior year's MAV. **MAV isn't limited to an increase of 3 percent** if certain changes are made to your property. These changes are called exceptions. MAV doesn't appear on most tax statements.
- **Assessed value (AV)** is the value used to calculate your tax. It is the **lesser** of RMV or MAV. Assessed value appears on your tax statement.
- **Exception** means a change to property, not including general ongoing maintenance and repair or minor construction. Changes that could affect maximum assessed value include new construction or additions, major remodeling or reconstruction, rezoning with use consistent with the change in zoning, a partition or subdivision, or a disqualification from special assessment or exemption. Minor construction is defined as additions of real property improvements with a real market value that doesn't exceed $10,000 in one assessment year or $25,000 over a period of five assessment years. Exception value doesn't appear on your tax statement.
- **Specially assessed value (SAV)** is a value established by statute. The legislature has created several programs that set lower assessed value levels for certain types of property. Each program has specific applications and use requirements. Examples of property that may qualify for special assessment are farmland, forestland, historic property, government-restricted low income multi-unit housing, and property that qualifies as "open space." SAV appears on most tax statements for property that is specially assessed.

Properties appraised by Department of Revenue

If you wish to appeal the value of **industrial property** appraised by the Department of Revenue (DOR), you must file your appeal with the Magistrate Division of the Tax Court. The deadline to file an appeal is December 31. If December 31 falls on a Saturday, Sunday, or legal holiday, the filing deadline moves to the next business day.

The value and late filing penalties of utilities and other centrally assessed property must be appealed to DOR on or before June 15 of the assessment year.

Appealing to your county board of property tax appeals

Appealing to the county board of property tax appeals (BOPTA) is generally the first step in the appeal process. Most appeals start at this level.

You may appeal the current year real market, maximum assessed, specially assessed, or assessed value of your property. However, the authority of BOPTA to reduce the MAV and AV of your property is **limited to the calculation allowed by law** and an appeal may not result in a reduction of tax.

The majority of appeals will be based on a difference of opinion between you and the assessor about RMV. In such cases, you will need to present evidence about the market value of your property as it existed on the assessment date. Evidence might include an appraisal report of your property done by an independent appraiser or a comparison of your property with similar properties that have **sold** in your area close to January 1 of the assessment year.

Comparing the value on the tax roll of your house to the value on the tax roll of your neighbor's house, or comparing the taxes you pay to the taxes your neighbor pays is generally not considered satisfactory evidence.

The following are examples in which an appeal of RMV may result in a tax benefit:

- The board reduces the RMV below the assessed value currently on the roll.
- Your property was improved in the previous assessment year and the board reduces the value of the new construction.
- The board reduces the RMV of your property, and the reduction requires property taxes to be reduced to meet constitutional limits on the education and general government categories of your taxes. See Tax Limitation (Compression) at www.oregon.gov/dor/property for more information.

Penalties charged for late filing of a current year's real or personal property return with the county assessor, or combined industrial property return with the Department of Revenue, may also be appealed to the board. The board may waive all or a portion of a penalty imposed for the late filing of a return if:

- You can prove there was good and sufficient cause for the late filing, or
- The year for which the return was filed was **both** the first year that a return was required to be filed and the first year you filed a return.

How to file your petition

You must file appeals between the date the tax statements are mailed and December 31. If December 31 falls on a Saturday, Sunday, or legal holiday, the filing deadline moves to the next business day. File your petition with the county clerk's office in the county where the property is located. You can get the forms you need from your county clerk or county assessor's office. You may also download forms from www.oregon.gov/dor/property.

If you aren't the owner of the property, carefully read the petition instructions to learn if you are qualified to file the appeal.

The board will consider your appeal between the first Monday in February and April 15. If you choose to appear at the hearing, BOPTA will send you written notice of the time and location. If you choose not to appear, the board will make a decision based on the evidence you submit with the petition.

The board will notify you in writing of its decision. If you aren't satisfied with the decision, you have the right to appeal as follows:

Appealing county board decisions

You may appeal a decision of BOPTA to the Magistrate Division of the Oregon Tax Court by filing a written complaint. The assessor may also appeal the board's decision.

Complaints must be filed with the Magistrate Division **within 30 days (not one month),** after the board's order is mailed or personally delivered to you. You can download appeal forms at www.courts.oregon.gov; or write to: Clerk, Oregon Tax Court, Magistrate Division, 1163 State Street, Salem OR 97301. You can also order forms by calling (503) 986-5650 or by calling your county assessor.

Appealing magistrate decisions

You may appeal magistrate decisions to the Regular Division of the Oregon Tax Court. To appeal, file your complaint with the court clerk **within 60 days (not two months) after the date of the magistrate's decision.** The tax court clerk will notify you of the trial date and time.

A trial in the Regular Division of the Oregon Tax Court is a formal proceeding. Although you may represent yourself, most people prefer to be represented by a lawyer. If you aren't satisfied with the tax court decision, you can appeal to the Oregon Supreme Court.

Failure to appeal to BOPTA

Under **very limited** circumstances, the Magistrate Division **may** be able to hear your appeal if you miss the deadline for filing with BOPTA. In addition, DOR may consider a request to address an error on the roll, if certain conditions are met. For more information about filing a petition with the department, see the publication *Request for Supervisory Review,* 150-303-688. You may obtain a copy of this circular by calling the Property Tax Conference Unit at (503) 945-8286, or from the website listed below.

Have questions? Need help?

General tax information ..... www.oregon.gov/dor
Salem ..... (503) 378-4988
Toll-free from an Oregon prefix..... 1 (800) 356-4222

Asistencia en español:
Salem ..... (503) 378-4988
Gratis de prefijo de Oregon..... 1 (800) 356-4222

TTY (hearing or speech impaired; machine only):
Salem ..... (503) 945-8617
Toll-free from an Oregon prefix.... 1 (800) 886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.