Real Property Assessment and Taxation

OREGON DEPARTMENT OF REVENUE

www.oregon.gov/dor

In Oregon, property taxes help support police, fire protection, education and other services provided by local taxing districts, such as cities, counties, and schools. The amount of property tax you pay is based on two things: 1) the assessed value of your property, and 2) the amount of taxes that each taxing district is authorized to raise. The Oregon constitution places limits on both of these factors. It establishes a maximum assessed value and limits the increases of this value. The constitution also places a limit on operating tax rates for most of the taxing districts in the state.

Your assessment

Property is taxed on its assessed value. A property's assessed value is the lower of its real market value or its maximum assessed value. Each year, the county assessor determines the property's real market value and calculates its maximum assessed value. You are taxed on the lesser of the two, which is called the assessed value. Real market value and maximum assessed value are defined below.

Real market value (RMV)

Oregon law says the assessor must value all property at 100 percent of its real market value. Real market value (RMV) is typically the price your property would sell for in a transaction between a willing buyer and a willing seller on January 1, the assessment date for the tax year. To estimate the initial RMV for your property, your county assessor appraises your property using a physical inspection and a comparison of market data from similar properties. For ensuing tax years, your county assessor may study trends of similar properties to update the RMV for your property. Some property, such as farm or forest property, may be subject to special valuation processes.

Maximum assessed value (MAV)

A property's maximum assessed value (MAV) is the taxable value limit established for each property. The first MAV for each property was set in the 1997–98 tax year. For that year, the MAV was the property's 1995–96 RMV minus 10 percent. For example, if a residential property had a RMV of $100,000 for the 1995–96 tax year, its 1997–98 MAV would have been $90,000. MAV can increase for only two reasons: a 3 percent annual increase or specific property events.

1. **Three percent increase**

   For tax years after 1997–98, MAV is defined as the greater of the prior year's MAV or the prior year's assessed value increased by 3 percent. This means MAV will increase by 3 percent per year unless the RMV of the property is less than MAV. If this happens, MAV will not increase, or will increase by less than 3 percent, in the year after RMV first decreases below MAV. Certain property events (explained below), such as new construction, can cause the MAV to increase more than 3 percent.

2. **Property events**

   The MAV can increase by more than 3 percent for any of the following property events:

   a. Changes in property value as a result of new property or new improvements to the property,
   b. The property is partitioned or subdivided,
   c. The property is rezoned and used consistently with rezoning,
   d. The property is first taken into account as omitted property, or
   e. The property becomes disqualified from exemption, partial exemption or special assessment.

New construction affects MAV if it increases the RMV of the property by more than $18,200 in any one year or $45,000 within any consecutive five years. These amounts will be indexed annually starting with the 2025-2026 tax year. The department will calculate and publish the indexed thresholds.

These changes will always have an effect on RMV, although they may not have an effect on MAV.

Value notice

The tax statement you receive, mailed in late October, is also your value notice.

Appeals

If you feel the assessor has incorrectly estimated the value of your property, you have the right to appeal. Your appeal must be based on the property's value, not on the amount of taxes shown on the tax statement. To receive a reduction in your value, you must convince your county property value appeals board that the value of your property is too high. Support your belief with information such as appraisal reports or comparable sales data.

Your property tax was calculated on the property's assessed value, which may not be its RMV. If this is the case, you must show that the calculation of the assessed value was done incorrectly. If you are successful in gaining a reduction to only the RMV, your taxes may not be reduced. For more information about appealing the value of your property, contact your local assessor's office or visit www.oregon.gov/dor/pages/appeals.aspx.

Your property tax statement

The property tax statement you receive in the fall is your value notice and property tax bill. It shows taxes imposed for the current tax year, July 1 through June 30. The tax you pay is the result of district tax rates applied to your property's assessed value. In addition, the bill may include other taxes, fees, charges or assessments depending on the districts providing services to your property. These other taxes, fees, charges or assessments may not be based on the value of your property.

Tax payment

You must pay at least one-third of your property tax by November 15 to avoid an interest charge. Additional one-third payments must be made by February 15 and May 15. If you pay the full amount due by November 15, you receive a 3 percent discount. If you pay two-thirds of the full amount by November 15, you receive a 2 percent discount on the amount of tax paid. No other discounts are allowed. You will be charged interest for any payment made after its due date. Interest is charged at the rate of 1.33 percent per month, or 16 percent annually, on any installment not paid when due.

Installment payments are not allowed when your total tax bill is less than $40.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.