

Why Are My Taxes Different Than My Neighbors

In May of 1997 Oregon voters passed Measure 50 ("M50") which substantially modified the property tax system, in the State of Oregon. With M50 all properties were given a Maximum Assessed Value or ("MAV"). Before M50 a property's Assessed Value ("AV") the value taxes are paid on, was solely based on Real Market Value ("RMV"). Under M50, AV is determined by a series of calculations and comparisons of the RMV and the MAV.

The first step in determining the AV is to establish what the current year MAV will be. The MAV is equal to 103% of a properties AV from the previous year, or the property's MAV from the prior year, whichever is greater. MAV will then need to be adjusted if there are any changes to the property that require adjustment as prescribed by statute. After adjustments for any changes, the MAV is compared to the RMV and the lower of the MAV or the RMV becomes the current year's AV.

Year after year the value calculation is applied the same way, to every property each year. However, elements in the formula are specific by year, making for variability. Given two identical houses side by side, and with similar RMV, under M50 there can be marked differences in the MAV and thus the AV, depending on what year a home was completed.

House 1

House 2



2018 Tax Statement

Real Market Value \$ 226,660
Assessed Value \$ 186,728

2018 Taxes \$ 3,078.32

2018 Tax Statement

Real Market Value \$ 226,660
Assessed Value \$ 179,579

2018 Taxes \$ 2,960.47

House 1 Build 2013

Tax Year	RMV Trend	Lesser of RMV or MAV = Assessed Value				AV	Change in AV
		RMV	Prior AV X 1.03	Greater of = Current MAV Prior MAV	MAV		
2012	1.00	\$ 60,000		\$ 34,860	\$ 34,000	\$ 34,000	
2013	1.00	\$ 219,630	\$ 35,905	\$ 165,905	\$ 165,905	\$ 165,905	488%
2014	0.92	\$ 202,060	\$ 170,882	\$ 165,905	\$ 170,882	\$ 170,882	3%
2015	0.88	\$ 177,810	\$ 176,009	\$ 170,882	\$ 176,009	\$ 176,009	3%
2016	1.19	\$ 211,590	\$ 181,289	\$ 176,009	\$ 181,289	\$ 181,289	3%
2017	1.03	\$ 217,940	\$ 186,728	\$ 181,289	\$ 186,728	\$ 186,728	3%
2018	1.04	\$ 226,660	\$ 192,329	\$ 186,728	\$ 192,329	\$ 192,329	3%

Change in AV due to new construction for the home.

House 2 Build 2015-2016

Tax Year	RMV Trend	Lesser of RMV or MAV = Assessed Value				AV	Change in AV
		RMV	Prior AV X 1.03	Greater of = Current MAV Prior MAV	MAV		
2012	1.00	\$ 60,000		\$ 34,860	\$ 34,000	\$ 34,000	
2013	1.00	\$ 60,000	\$ 35,020	\$ 34,860	\$ 35,020	\$ 35,020	3%
2014	0.92	\$ 55,200	\$ 36,071	\$ 35,020	\$ 36,071	\$ 36,071	3%
2015	0.88	\$ 113,500	\$ 37,153	\$ 86,182	\$ 86,182	\$ 86,182	139%
2016	1.19	\$ 211,590	\$ 88,767	\$ 169,270	\$ 169,270	\$ 169,270	96%
2017	1.03	\$ 217,940	\$ 174,348	\$ 169,270	\$ 174,348	\$ 174,348	3%
2018	1.04	\$ 226,660	\$ 179,579	\$ 174,348	\$ 179,579	\$ 179,579	3%