

CHAPTER 432

AN ACT

HB 3194

Relating to the definition of “minor construction” for purposes of property tax law; creating new provisions; amending ORS 308.149; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 308.149 is amended to read: 308.149. As used in ORS 308.149 to 308.166:

(1) “Area” means:

(a) The county in which property, the maximum assessed value of which is being adjusted, is located, including the area of any city located within the county that has adopted an ordinance or resolution pursuant to ORS 308.151;

(b) The city in which property, the maximum assessed value of which is being adjusted, is located, if the city has adopted an ordinance or resolution pursuant to ORS 308.151; or

(c) This state, if the property for which the maximum assessed value is being adjusted is property that is centrally assessed under ORS 308.505 to 308.674.

(2)(a) “Average maximum assessed value” means the value determined by dividing the total maximum assessed value of all property in the same area in the same property class by the total number of properties in the same area in the same property class.

(b) In making the calculation described under this subsection, the following property is not taken into account:

(A) New property or new improvements to property;

(B) Property that is partitioned or subdivided;

(C) Property that is rezoned and used consistently with the rezoning;

(D) Property that is added to the assessment and tax roll as omitted property; or

(E) Property that is disqualified from exemption, partial exemption or special assessment.

(c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to the calculation of average maximum assessed value in the case of property centrally assessed under ORS 308.505 to 308.674.

(3)(a) “Average real market value” means the value determined by dividing the total real market value of all property in the same area in the same property class by the total number of properties in the same area in the same property class.

(b) In making the calculation described under this subsection, the following property is not taken into account:

(A) New property or new improvements to property;

(B) Property that is partitioned or subdivided;

(C) Property that is rezoned and used consistently with the rezoning;

(D) Property that is added to the assessment and tax roll as omitted property; or

(E) Property that is disqualified from exemption, partial exemption or special assessment.

(c) Paragraph (b)(B), (C), (D) and (E) of this subsection does not apply to the calculation of average real market value in the case of property centrally assessed under ORS 308.505 to 308.674.

(4) “Lot line adjustment” means any addition to the square footage of the land for a real property tax account and a corresponding subtraction of square footage of the land from a contiguous real property tax account.

[(5) “Minor construction” means additions of real property improvements, the real market value of which does not exceed \$10,000 in any assessment year or \$25,000 for cumulative additions made over five assessment years.]

(5)(a) “Minor construction” means additions of real property improvements, the real market value of which does not exceed \$18,200 in any assessment year or \$45,000 for cumulative additions made over five assessment years.

(b) For each assessment year beginning on or after January 1, 2025, the Department of Revenue shall adjust the dollar amounts in paragraph (a) of this subsection by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, since the assessment year beginning on January 1, 2024.

(6)(a) “New property or new improvements” means changes in the value of property as the result of:

(A) New construction, reconstruction, major additions, remodeling, renovation or rehabilitation of property;

(B) The siting, installation or rehabilitation of manufactured structures or floating homes; or

(C) The addition of machinery, fixtures, furnishings, equipment or other taxable real or personal property to the property tax account.

(b) “New property or new improvements” does not include changes in the value of the property as the result of:

(A) General ongoing maintenance and repair; or

(B) Minor construction.

(c) “New property or new improvements” includes taxable property that on January 1 of the assessment year is located in a different tax code area than on January 1 of the preceding assessment year.

(7) “Property class” means the classification of property adopted by the Department of Revenue by rule pursuant to ORS 308.215, except that in the case of property assessed under ORS 308.505 to 308.674, “property class” means the total of all property set forth in the assessment roll prepared under ORS 308.540.

SECTION 2. The amendments to ORS 308.149 by section 1 of this 2023 Act apply to assessment years beginning on or after January 1, 2024.

SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023 regular

session of the Eighty-second Legislative Assembly adjourns sine die.

Approved by the Governor July 27, 2023
Filed in the office of Secretary of State July 27, 2023
Effective date September 24, 2023
