

State of Oregon Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Real and personal property is valued at 100% of its real market value (Sec. 308.232, ORS). Real market value is the amount of cash that, as of the assessment date, could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm's-length transaction (Sec. 308.205, ORS). The real market value of property, for which there is no immediate market, is the amount of money that would justly compensate the owner for its loss. The Oregon Department of Revenue publishes a property tax assessment manual that discusses, among other items, changes to property, exemptions, destroyed or damaged property, and manufactured structure exception guidelines. Except for utility and industrial property, the sales comparison approach, the cost approach, and the income approach must be considered in valuing real property (OAR 150-308.205-(A)). No particular method is specified for the appraisal of personal property. Utility property is appraised in accordance with the Western States Tax Association of Tax Administrators (WSATA) 1989 Handbook, Valuation of Utility and Railroad Property (OAR 150-308.205-(B)).

Real Property Defined

Real property includes land and things erected on or affixed to the land, such as buildings, improvements, machinery, equipment, fixtures, and trees (Sec. 307.010 ORS, OAR 150-307.010). It also encompasses mines, minerals, quarries, and the rights pertaining to them, water rights and powers, and site developments, such as fill, grading, and underground utility connections, that become so intertwined with the land as to become inseparable. Both offsite developments (i.e., improvements to the site such as streets, sidewalks, and utility services) and onsite developments (i.e., improvements within the site that support the buildings or other property uses) constitute site developments for purposes of the definition.

Personal Property Defined

Tangible personal property encompasses movable property, such as vehicles, boats, and vessels, merchandise or stock in trade (i.e., inventories), furniture and personal effects, goods or supplies, livestock, farming implements, and readily movable (as opposed to apparently stationary or fixed)



tools, machinery, and equipment (Sec.307.020, ORS, OAR 150-307.020(3)). Machinery, equipment, and fixtures are treated as real property for property tax purposes (Sec. 307.010, ORS) and are typically assessed to the owner of the real property to which they are affixed. If owned separately from the underlying real property, however, machinery, equipment, and fixtures are assessed and taxed in the name of their owners (Sec. 308.115, ORS).

Intangible Property Taxes

Intangible property is exempt from property tax, except that it may be considered as a factor in the valuation of centrally assessed property (OAR 150-308.205-(D)).