

# Understanding Your Property Tax System

In Oregon, property taxes are collected by the County and distributed to each taxing district (schools, cities, county agencies, fire districts, road districts, etc.). The amount of property tax that you pay is based on (1) the assessed value of your property and (2) tax rates and bond debt service amount your taxing districts levy.

Generally, the increase in your assessed value is limited to 3% unless changes have been made to your property. The county assessor compares the Real Market Value (how much your property is worth, as determined by the assessor, as of Jan. 1 each year) to the Maximum Assessed Value (the 1995 value reduced by 10%, plus any changes that were made to your property, increased by 3% each year after 1997). The lower of these two values is called your Assessed Value.

Taxes may increase by more than 3% by voter-approved ballot measures. Taxes can also increase or decrease due to other changes, such as the amount a district needs to pay for voter-approved bond debt, or property annexations.

The Clatsop County Department of Assessment and Taxation collects taxes on behalf of 66 separate taxing districts ([see where your tax dollar goes](#)). The department employs property appraisers, property records and accounting staff, cartographers and administrative support staff. Our mission is to appraise property, collect and distribute taxes, and to provide related information in a manner that merits the highest degree of confidence in our integrity, efficiency and fairness.

The [Tax Rate Summary](#) is a consolidation of tax rates by taxing districts by code area. A code area is a number assigned to designate districts by area for example, 0101 designates the Astoria School District within the City of Astoria city limits. The [Billing Rate Sheet](#) is a consolidation of the current year together with a brief history of tax rates for recent years.

## Assessed Value

Property is taxed on its assessed value. A property's assessed value (AV) 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. Our office maintains three sets of values for each individual account, the Real Market Value, Maximum Assessed Value and the Assessed Value.

## Real Market Value

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 an ordinary transaction between a willing buyer and seller. This value is established every January 1, for the current assessment 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. Between the years of physical inspections, sales of similar properties are used to update the current RMV for your property.

### **Maximum Assessed Value**

A property's maximum assessed value (MAV) is the taxable value limit established by the voters in 1997. The first MAV was established in the 1997-98 tax year with the passage of Senate Bill 1215, commonly referred to as Measure 50. For that year, the MAV was the property's 1995-96 real market value minus 10 percent. For example, if a residential property had a real market value of \$100,000 for the 1995-96 tax year, its 1997-98 MAV would have been \$90,000.

MAV is allowed to increase 3% annually or due to specific property events.

### **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 that the MAV may increase 3 percent per year. There are two exceptions to the 3 percent increase. If the RMV is less than the MAV for two years, the MAV will not increase or certain property events can cause the MAV to increase more than 3%.

### **Specific Property Events**

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

Changes in the property value as the result of new property or new improvements

Property is partitioned or subdivided

Property is rezoned and used consistently with rezoning

Property is first taken into account as omitted property

Property becomes disqualified from exemption, partial exemption or special assessment

These changes will have an effect on RMV, although they may not have a dollar-for-dollar impact on MAV.

New construction affects MAV if it increases the value of the property by more than \$10,000 in any one year or \$25,000 within any consecutive five years.