

## OP-ED: Suffering property tax sticker shock?

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Oregon's property taxes are a significant source of revenue for the state – and every October property tax bills are mailed out and due by Nov. 15 for the tax year running from July 1 through June 30. Most taxpayers, however, have until Dec. 31 to file an appeal.

### Homes

This year, assessors from the three Oregon metropolitan counties around Portland are expecting to collect 2 percent to 3 percent more in total taxes than they did in 2013. This could be based on many factors, including new bonds or local tax levies or material changes in properties – building additions during the tax year, for example.

Homeowners wishing to appeal simply need to file a petition with the Board of Property Tax Appeals in the county where the property is located before Dec. 31, 2014.

Forms for the Board of Property Tax Appeals and instructions are available at [www.oregon.gov/dor/PTD/Pages/IC\\_303\\_668.aspx](http://www.oregon.gov/dor/PTD/Pages/IC_303_668.aspx).

### Industrial properties

Industrial property owners can run into many valuation issues when their property is evaluated and appraised by the Oregon Department of Revenue. It's responsible for the appraisal and valuation of all industrial properties (including electronics, agricultural processing, printing, etc.) in Oregon with an improvement value of more than \$1,000,000.

This currently includes 885 sites with a market value of more than \$15 billion, according to the De-

partment of Revenue ([www.oregon.gov/dor/PTD/Pages/industrial.aspx](http://www.oregon.gov/dor/PTD/Pages/industrial.aspx)).

Because each industry has its own unique reasons for appealing valuation, often centered on obsolescence and international competition, it is critical to understand the factors being used to determine the value of the property from a taxing perspective. This includes not only buildings but also personal property such as machinery and equipment.

People who feel the assessment is out of line with the local market may be spot-on. Filing tax appeals for industrial property must be filed with the Magistrate Division of the Oregon Tax Court. The deadline to file an appeal is Dec. 31.

### New real estate developments

The first year that property improvements, including multifamily, industrial and single-family homes, are taxed is generally the first and best chance to challenge the asserted real market value, which may affect the taxable value for years to come (because the amount of increase to assessed value is capped under Ballot Measure 50, passed by voters in 1997).

Property owners that have recently completed construction on a project should review their property tax statements closely to determine if the county properly determined the real market value. Additionally, if construction took place over multiple years and the county assessed the property during construction, the owner may be able to argue that the assessed value should be reduced, based on the assessed value asserted by the county during construction.

Owners who think they may have grounds to appeal their property tax statement should contact an attorney specializing in this area for more information.