

IN THE MAGISTRATE DIVISION
OF THE OREGON TAX COURT

Small Claims

Property Tax

VIKTOR L. MAKSIMCHUK,)	
)	
Plaintiff,)	No. 000521C
)	
v.)	
)	
MULTNOMAH COUNTY ASSESSOR,)	
)	
Defendant.)	DECISION AND JUDGMENT OF DISMISSAL

This matter came before the court on defendant's Motion to Dismiss, included in its Answer filed April 25, 2000, requesting that the Complaint be dismissed because the relief requested by plaintiff has already been granted by the County Board of Property Tax Appeals (board).

A case management conference was held August 16, 2000. Evgenia Maksimchuk, plaintiff's wife, appeared for the plaintiff and was assisted by Ms. Marina Braun, a court appointed interpreter fluent in Russian. Defendant appeared through Mr. Steve Blixt, an appraiser with the Multnomah County Assessor's Office.

In the Complaint to the court, plaintiff requested a reduction in real market value for the 1999-00 tax year to \$235,000. The account number is R336825. The board Order submitted by plaintiff with the Complaint reveals that the board already reduced the real market value from \$310,100 to \$235,000. Defendant in its Answer moved to dismiss on the grounds that no additional tax savings will result if the court grants the relief requested.

In fact, the court cannot grant any further relief because the value has already been lowered to the purchase price of \$235,000 and plaintiff has not asked for a further reduction. The assessed value was reduced from \$248,430 to \$235,000 in accordance with applicable law.

Oregon voters passed Measure 50 by referendum in May 1997. This measure substantially modified the property tax system in Oregon. Prior to Measure 50, a property was taxed at its real market value. Thus, if a property owner proved his house was "worth" \$100,000, he paid taxes on that value. Measure 50 created the concept of "maximum assessed value" which, for the 1997-98 tax year, was 90 percent of the property's 1995-96 real market value. Or Const, Art XI, § 11(1)(a). For each successive year, the maximum assessed value cannot increase by more than three percent. Or Const, Art XI, § 11(1)(b); see *also* ORS 308.146(1). Real market value continues to represent the value of the property as of the assessment date as if sold on the open market. ORS 308.205. Assessed value is the lesser of real market value or maximum assessed value. ORS 308.146(2). This is the key to understanding all the different numbers on the tax statement. Taxes are computed on the assessed value.

Typically maximum assessed value is less than real market value. That was true in this case before the board lowered the real market value. After the board's reduction in real market value to \$235,000, the assessed value was lowered to \$235,000 because the maximum assessed value, which generally cannot be changed, remained at \$248,430. Plaintiff is paying taxes on a value of \$235,000. The reduction was based on the purchase price in December 1998. The assessment date was January 1, 1999. Thus, the purchase price is highly reflective of market value. No further relief can be forthcoming

without evidence that the real market value is less than the purchase price. Plaintiff has no such evidence and does not seek a reduction below \$235,000. Plaintiff and his wife were confused about the law as it applied to their taxes, which is understandable given the complex nature of the current tax scheme. That confusion was at least lessened at the August 16 hearing and may be further reduced by this decision.

IT IS HEREBY ADJUDGED AND DECREED that the above-entitled matter be dismissed as moot since the board afforded all the relief allowed under the law.

Dated this ____ day of August, 2000.

DAN ROBINSON
MAGISTRATE

THIS DOCUMENT WAS SIGNED BY MAGISTRATE DAN ROBINSON ON AUGUST 21, 2000. THE COURT FILED THIS DOCUMENT ON AUGUST 21, 2000.