

IN THE OREGON TAX COURT
MAGISTRATE DIVISION
Property Tax

JANET MORGAN and DANIEL D.)	
MORGAN, II,)	
)	
Plaintiffs,)	No. 020866A
)	
v.)	
)	
MULTNOMAH COUNTY ASSESSOR,)	
)	
Defendant.)	DECISION

Mr. and Ms. Morgan have appealed, for the 2001-02 tax year, the assessed value assigned to their residence, a property identified by Account No. R300936. The Morgans appeared and made their arguments. Multnomah County was represented by Ken Collmer, of its staff.

STATEMENT OF FACTS

The board of property tax appeals set the total real market value of the Morgans' property at \$278,550, and its assessed value at \$234,890. The Morgans contend that a further reduction, specifically a 14 percent reduction in their property taxes, is appropriate.

The Morgans began with the point that the assessor's records regarding their home have been inaccurate, and were so during the 1995-96 tax year. Describing the age, number of bedrooms and bathrooms, and square footage of their home as dramatically different from that shown in the assessor's records, the Morgans next proceeded to the premise of their case, which was that the 1995-96 roll value that served as the basis for the maximum assessed value of their property was flawed, and that in fact a lower value was appropriate.

In support of this point the Morgans looked to the tax records of more than 75
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neighboring properties. After identifying the properties as comparable to theirs the Morgans saw that their taxes were nonetheless 36 percent higher than the average, and that newer homes, superior to theirs, had property taxes significantly lower.

For its part Multnomah County observed that the 1995-96 roll value was supported by the 1995 sale of the property for \$255,000, and the Morgans paid \$355,000 to purchase their home in April of 2001. As to the latter point the Morgans testified that they now feel they paid too much for the property. In support of this argument the Morgans presented the average selling prices of three houses in their neighborhood as \$116 per square foot; the Morgans' purchase price was at \$159 per square foot. The Morgans also provided a market analysis of their property which recommended \$283,400 as an appropriate listing price.

COURT'S ANALYSIS

The essence of the Morgans' case is that they are paying more in property taxes than their neighbors. It is unfair, they reason, that errors in the 1995-96 roll value of their property should work such an injustice today.

In this analysis a relatively minor point is that, while the records of Multnomah County were apparently in error as to the characteristics of the Morgans' house,¹ they were correct as to its real market value during the 1995-96 tax year. A sale of the home during that time validated the value then carried on the roll. This observation, however, does not go to the central contention of the Morgans, which is that they are now paying more in tax than their neighbors.

The point fatal to the Morgans' case is that this court has decided that the

¹ORS 311.234, a statute which addresses errors in square footage, may or may not be applicable to the Morgans' situation. The court will not address this point further, for ORS 311.234 applies to tax years beginning on or after July 1, 2002.

unfairness which they document does not defeat the legitimacy of the tax. At one time the Magistrate Division was of the opinion that subsequent purchasers should, under some limited conditions, be able to dispute the 1995-96 roll values which subsequently formed the basis of the Measure 50 values. *Lorati v. Dept. of Rev.*, OTC-MD No. 970657 (Apr 1, 1998). On appeal that decision was reversed. *Ellis v. Lorati*, 14 OTR 525 (1999). The 1995-96 roll values, despite any inequities which they may perpetuate, may not be revised in the context of a subsequent tax year's appeal.

While the Morgans may be paying more in property taxes than their neighbors, a point to be remembered is that they are paying taxes on less than the real market value of their property. The Morgans paid \$355,000 to purchase the home; and present \$283,000 as its current listing price. Its value for purposes of calculating a tax is \$234,890. For purposes of Measure 50, that is sufficient.

CONCLUSION

IT IS THE DECISION OF THIS COURT that this appeal must be denied.

Dated this _____ day of October, 2002.

SCOT A. SIDERAS
MAGISTRATE

IF YOU WANT TO APPEAL THIS DECISION, FILE A COMPLAINT IN THE REGULAR DIVISION OF THE OREGON TAX COURT, FOURTH FLOOR, 1241 STATE ST., SALEM, OR 97301-2563. YOUR COMPLAINT MUST BE SUBMITTED WITHIN 60 DAYS AFTER THE DATE OF THE DECISION OR THIS DECISION BECOMES FINAL AND CANNOT BE CHANGED.

THIS DOCUMENT WAS SIGNED BY MAGISTRATE SCOT A. SIDERAS ON OCTOBER 23, 2002. THE COURT FILED THIS DOCUMENT ON OCTOBER 23, 2002.