

308.146(2).¹ Maximum assessed value was established by constitutional amendment (under Measure 50) and in the first year of implementation (1997-98 tax year) it was 90 percent of the property's real market value on the tax rolls for the 1995-96 tax year. Or Const, Art XI, § 11(1)(a).² Thereafter, maximum assessed value is the greater of "103 percent of the property's assessed value from the prior year or 100 percent of the property's maximum assessed value from the prior year."

ORS 308.146(1).³ Real market value is the amount of money the property would sell for on the open market.

Because of the statutory framework set forth above, which is driven by the constitutional amendments worked by Measure 50, a taxpayer generally cannot challenge the maximum assessed value (unless, for example, there is an error in the calculation, or new property that required a special determination of that value based in part on real market value) because it is tied to the previous year's values and adjusted by percentages without regard to the market. Thus, absent an error by the assessor in the calculations or a dispute involving exceptions value, only the real market value can be successfully appealed. There is no claim in this case that the assessor erred in calculating the maximum assessed value or the assessed value and the board already reduced the real

¹ All references to the Oregon Revised Statutes (ORS) are to 2001.

² That provision reads:

"For the tax year beginning July 1, 1997, each unit of property in this state shall have a maximum assessed value for ad valorem property tax purposes that does not exceed the property's real market value for the tax year beginning July 1, 1995, reduced by 10 percent." Or Const, Art XI, § 11(1)(a).

³ For some historical perspective, maximum assessed value was established in 1997 as an amendment to the state's constitution. See Or Const, Art XI, § 11. For the 1997-98 tax year, which is the year of implementation, maximum assessed value was 90 percent of the property's tax year 1995-96 real market value. Or Const, Art XI, § 11(1)(a). Future growth in maximum assessed value was limited to no more than 3 percent each year. Or Const, Art XI, § 11(1)(b). Measure 50 was codified in ORS 308.142 through ORS 308.166.

market value.

What Plaintiffs would really like is an adjustment to the maximum assessed value for the years at issue based on a substantive judicial acknowledgment that the real market value for the property on the tax rolls for the 1995-96 tax year exceeded the true market value of the property. That is something the court cannot do. The court lacks the authority to adjust maximum assessed value (and ultimately assessed value) because of an error in the real market value dating back to the 1995-96 tax year or before. Now, therefore,

IT IS THE DECISION OF THIS COURT that Plaintiffs' Complaint is dismissed.

Dated this _____ day of April, 2003.

DAN ROBINSON
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 DAN ROBINSON ON APRIL 30, 2003. THE COURT FILED THIS DOCUMENT ON APRIL 30, 2003.