



Property Value Appeals Board (PVAB)

Member Module Two

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Hello and welcome to the Oregon Department of Revenue Property Value Appeals Board, Member Module Two.

Agenda

Sessions / Meetings / Hearings

Confidentiality

Valuation Process

Tax Compression

Decisions and Orders

Appeals of Board Decisions



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This is the agenda we will be following for this course. We will be covering board sessions, meetings and hearings. We will also cover confidentiality, the valuation process, tax compression, decisions and orders, and the appeals process from board decisions.

Learning Objectives

Effectively communication information, the process and confidentiality in hearings and meetings.

Explain the valuation process and tax compression.

Create informed decisions and orders.

Understand appeals of the board decisions.



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Here are the learning objectives for this module. We hope this module will provide you with information to be proficient with these objectives.

Disclaimer

While the intent is to periodically update the material to comply with applicable laws, it is incumbent upon you to use the current and effective laws, rules, policies, and procedures.

Where in conflict, the applicable law, rule, policy, or procedure takes precedence over information contained in this training.



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Resources



PVAB Manual



Oregon Revised Statutes



**Oregon Administrative
Rules**



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The PVAB manual, Chapter 309 of the Oregon Revised Statutes, and the associated administrative rules are helpful resources for you during and after this training. They are available through the links in the PDF associated with this video.

Acronyms

AV	Assessed Value
CPR	Changed Property Ratio
DOR	Department of Revenue
MAV	Maximum Assessed Value
MSAV	Maximum Specially Assessed Value
OAR	Oregon Administrative Rules
ORS	Oregon Revised Statutes
PVAB	Property Value Appeals Board
RMV	Real Market Value
SAV	Specially Assessed Value



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Definitions, abbreviations and acronyms are in the glossary of the Property Value Appeals Board Manual. Here is a list of acronyms commonly used in the property tax system. You may want to refer to this slide from time to time.



Session/ Meetings / Hearings



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As used in this training, the board session is the period during which the board conducts meetings and hearings. As discussed in the first module, the session may begin on or after the first Monday in February, but not later than necessary to complete the board's work by April 15.

Meetings

- Public Meeting Definition
- Notices
- Meeting Procedures
- Minutes



A public meeting is the convening of any governing body where decisions or recommendations are made that affect the public. All PVAB meetings are public meetings unless the board is reviewing confidential information. It is the intent of Oregon government for an informed public regarding decisions made and that those decisions are arrived at openly.

This means that boards have a statutory obligation to inform the public, through their clerks, of the dates and times when they will meet to deliberate and make decisions. The meeting place is required to be accessible to people with disabilities. The clerk will follow the requirements for posting public notices of the convening of the board session, as well as daily and weekly meeting notices. Anytime two board members discuss board business, public notice must be posted. Be careful not to discuss board business with a fellow board member outside of a publicly noticed meeting.

Most boards follow general meeting procedures (for example, *Robert's Rules of Order*) when holding meetings. Any decisions should be made by a motion followed by a vote. The board can determine details of the procedures, such as whether to require a second to a motion before a vote.

At the initial meeting of the board, the board chair convenes the meeting stating the date, time and place of the meeting. The board members must take a verbal oath of office, and sign written oaths to be included in the board record by the clerk. The procedures for holding

executive sessions to protect confidential information, explained later in this training, should be discussed. The board members and clerk should read and sign the “Secrecy Laws Certificate.”

The initial meeting is the time for the board to adopt written policies and procedures that are discretionary to the board, such as the lengths of hearings, the time allocated to each party to present evidence, security measures and how to handle uncooperative parties, and criteria for proof of timely filing. A checklist is provided in the PVAB manual. The board may decide to ratify policies and procedures adopted by the previous board.

A written or audio record of all board proceedings must be kept as a part of the official record of the board. The clerk should advise the board at the first administrative meeting which type of record will be kept. If written minutes are used, they must give a true reflection of the matters discussed at the meeting and the opinions of the participants. They should include the substance of any discussion on any matter, all motions, proposals, resolutions, orders proposed, and their disposition, the results of all votes and how each member voted.

Hearings

- Definition
- Scheduling
- Notice
- How hearings are conducted



A hearing is a meeting of the board during which evidence is presented and testimony is given regarding petitions filed with the board. The board must hold a hearing for every petition filed except those petitions for which stipulations are filed with the clerk prior to the time the board convenes the session.

The board must give the petitioner or the petitioner's representative a hearing notice if the petitioner (or representative) has requested to be present at the hearing. The clerk must provide at least five days written notice of the time and place of the hearing.

The board may determine how formally the hearings will be conducted. The chairperson has the responsibility of maintaining order during the proceedings. The petitioner usually testifies first, followed by the assessor's representative. Although some counties choose to do so, it isn't necessary to "swear in" persons participating in a hearing. The declaration at the bottom of the petition acts as a sworn statement of the petitioner or representative that the information contained in the petition is true. A checklist for the chairperson to follow while conducting hearings is provided in the board manual.

Changes to the Roll

- Reductions of Value
- Reductions of Value Prior to January 1
- Stipulations



Now let's talk about changes that may have been made to the assessment roll between the time the roll was certified and when the board holds a hearing.

The assessor may correct errors that increase the real market value (RMV) on the roll so long as the correction is complete, and the taxpayer receives notice of the correction by December 1st. If the taxpayer had not already filed a PVAB petition, they may still do so up until the normal PVAB filing deadline.

The law also allows the assessor to reduce the value of property after roll certification through December 31st of the tax year. The assessor can do this whether or not a petition has been filed with PVAB. The change may be made at the request of a taxpayer or on the assessor's own initiative. If the assessor reduces the value of property prior to January 1 and a petition has been filed with PVAB, the petition must be resolved even though the assessor has already changed the tax roll.

If the value the petitioner requested is higher than or equal to the adjusted roll value, the petitioner has until the time of the hearing to reduce the requested value. If the petitioner does not reduce the value they requested, the board must dismiss their appeal due to a lack of jurisdiction. If the requested value on the petition is below the adjusted roll value, the board should treat the petition just like any other petition.

As of December 31st, the assessor can change the roll if:

- A petition has been filed with the PVAB clerk and
- A stipulation is filed with the clerk prior to the time the board convenes.

A stipulation is a written agreement between the petitioner and the assessor regarding the value of property. All stipulations must be entered into the board record. If a stipulation is signed before the date the board convenes and is filed before the time the board convenes, no hearing is held, and no order is issued. If the stipulation is filed at or after the time the board convenes for the first time that season, a hearing is held, and an order is issued.



Confidentiality



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PVAB is a public body and most of its meetings and actions are matters of public record. However, some material considered by the board is confidential by law. There are special procedures to follow to protect that confidentiality.

What is considered “confidential?”

- Information reported on a *Confidential Personal Property Return* or a *Real Property Return*, filed with the assessor under.
- Information submitted for valuing an industrial plant when the information is submitted on the condition that it will be kept confidential.
- Information identified by the petitioner and confirmed by the board as a **“trade secret.”**



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Personal property returns that businesses are required to file are confidential records in the assessor's office in which they are filed. Likewise, some businesses must also file real property returns which are also confidential records in the assessor's office.

Owners of industrial plants have options as to the information provided. However, any information provided on the condition that it be kept confidential must be treated as confidential by the board. This includes but is not limited to information obtained during a physical reappraisal of the industrial plant.

In addition, if a petitioner identifies information before it has been presented to the board as pertaining to a trade secret within their business activity, the information is conditionally exempt from public disclosure. It should be treated as confidential.

However, if information has already been submitted, with the petition for example, it may not retroactively be designated as confidential.

It is important to follow the procedures that will be discussed next regarding executive sessions to protect confidential information. Unauthorized disclosure of confidential information carries civil and criminal penalties.

Executive Sessions

- Definition
- Notice
- Evidence and Records
- Who may attend
- Procedures
- Returning to the public hearing



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Executive sessions are meetings in which the board hears testimony or reviews information that is confidential or exempt from disclosure under Oregon law.

Executive sessions are closed to the public.

The clerk will identify potential executive sessions on the daily or weekly agenda. A sign should be posted on the door stating the board is in executive session.

Records obtained during an executive session must be clearly identified as confidential and must be specially handled. Evidence, as well as written or audio minutes must be kept separately from public records and should be clearly marked as confidential.

When beginning an executive session, the chairperson must ask all those not authorized to attend to leave. Those authorized to attend are the petitioner and their representative, the county appraiser, county counsel, the board, the board clerk, a board appraiser if there is one, and the press. The chairperson must instruct the media that the confidential information that is the subject of the meeting should not be disclosed. There is a sample script for a chairperson to use when entering an executive session in the board manual.

At the executive session only the confidential information is discussed. Nothing presented or discussed in the executive session may be disclosed outside the executive session, even after the

board has issued its decision.

Individual board members may reach tentative decisions and a consensus may be evident during the executive session. However, the board must return to a public meeting to hold its vote and make its final decision. There is a checklist for entering and exiting an executive session in the board manual.



Valuation Process



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Now we will discuss how property is valued.

Understanding the Valuation Process

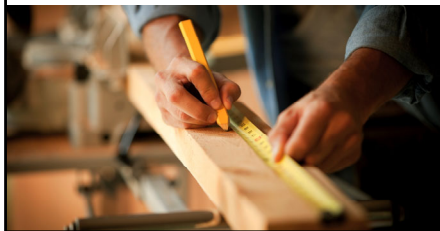
- Assessment Date
- Ratio Study
- Real Market Value and how it is established



It is important to remember the property is valued as of the assessment date. The assessment date is January 1 before the beginning of the tax year on July 1. The board does not convene until February following the July 1 beginning of the tax year. This means the board is considering the value of the property as of an assessment date more than a year prior to the date of the hearing.

The assessor's office provides a copy if the ratio study conducted for the tax year. The ratio study provides information about how markets have trended over the year prior to the assessment date. However, it is important to remember that the ratio study is a mass appraisal tool, used so that the assessor can value every property in the county. When a single property is under appeal, it must be valued as a single property.

Real market value is defined as "the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm's length transaction occurring as of the assessment date for the tax year." To determine the real market value (RMV), one or more of the three approaches to value are used.



Three Approaches to Value

- The Market / Sales Comparison Approach
- The Income Approach
- The Cost Approach



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The market or sales comparison approach uses sales of properties like the property being valued. It is based on the principle of substitution. A buyer will pay no more for a property than the purchase price of a similar and equally desirable property. It is the most used and accurate approach when sufficient sales of comparable properties exist, especially for residential property.

The income approach is based on the principle of anticipation. Value is created by the expectation of benefits to be derived in the future. For the income approach, the expectation of benefits is the income stream that the property is expected to produce.

The cost approach is also based on the principle of substitution. Restated for the cost approach, it holds that a buyer will pay no more for a property than the cost of acquiring land and constructing an equally desirable substitute. It is most used for new construction, when there is little to no depreciation.



The Market/Sales Comparison Approach

- Research sales of comparable properties
- Adjust sales prices for differences in the properties
- Reconcile adjusted sales prices to indicate value of the subject.

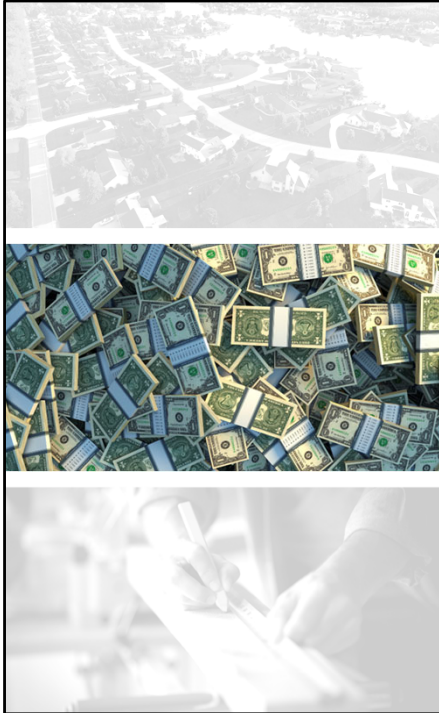


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Researching sales of comparable properties ideally includes confirming details regarding those sales, such as the sale price and date, that the sale was an arm's length transaction between knowledgeable parties under no duress, and if there were any other circumstances in the terms of the sale.

The sales price of the comparable properties need to be adjusted for differences between the comparable property and the subject. Differences may include the date of sale, location, size, quality and condition, and amenities. You may see the subject property and the sold properties in a grid with columns to make the adjustments to the sales prices.

The adjusted sales prices are then reconciled to indicate the value of the subject property. Greater weight is placed on the comparable properties with the least differences with the subject property.



The Income Approach

- Gross Income Multiplier
- Direct Capitalization
 - Net Operating Income
 - IRV Formulas
 - $\text{Income} = \text{Rate} \times \text{Value}$
 - $\text{Rate} = \text{Income} \div \text{Value (Sales Price)}$
 - $\text{Value} = \text{Income} \div \text{Rate}$



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In the income approach, value is indicated by a property's earning power. You may see two versions of the income approach. The gross income multiplier is more likely to be used for residential rental property. The income capitalization approach is more likely to be used for commercial or industrial property.

The sales of comparable rental property are used to establish the gross income multiplier. The sales price of each of the properties is divided by the gross income produced by the property. The sales are reconciled to produce a gross income multiplier for the market. The gross income of the subject property is then multiplied by the gross income multiplier to produce an indication of its real market value.

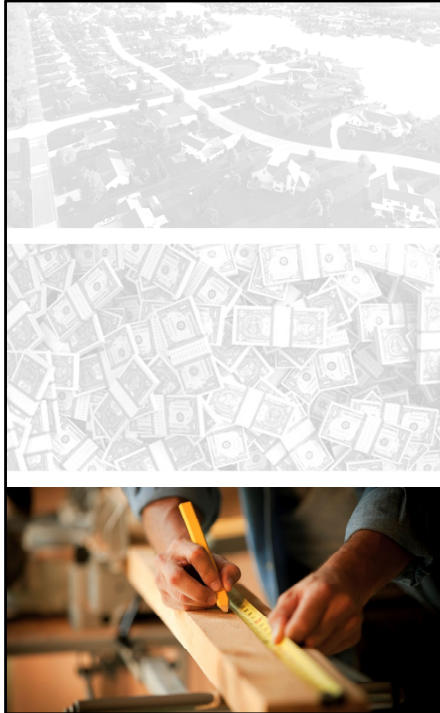
The income capitalization approach uses the IRV formula, where the I represents income, the R represents a capitalization rate, and the V represents the value. It is often depicted with the I over the R and the V. This represents the different ways in which the formula can be stated.

The income can be found by multiplying the rate times the value, although the income is not usually what we need to find.

The capitalization rate can be found by dividing the income by the value of a property, which is generally represented by the sales price of property that has sold. The most accurate capitalization rates are calculated by reconciling the capitalization rates from the sales of similar income producing properties in the market area.

The value indication of a property is found by dividing its income by the capitalization rate

The income used in the capitalization approach is the net operating income. This is found by starting with the potential gross income, the market rents that would be received at 100% occupancy. Potential gross income is reduced by losses due to vacancies and unpaid rents. Operating expenses are deducted to arrive at net operating income (NOI). These are expenses necessary to maintain the income stream, such as insurance, utilities, management, salaries, supplies and materials, and repairs and maintenance.



The Cost Approach

- Replacement or Reproduction Cost New
- Depreciation
 - Physical Deterioration
 - Functional Obsolescence
 - External Obsolescence



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The cost approach begins with either the cost to replace or reproduce the subject property like new. Replacement means the construction of a property with equivalent utility and appeal. Reproduction means the construction of an exact duplicate of the property. Most often, replacement cost new is used.

The most important point for the cost approach is that all costs are included at market rates, regardless of any discounts the owner may have obtained. It also includes market rates for labor and entrepreneurial profit, even if the owners constructed the property themselves.

Accrued depreciation is the difference between the cost new and the present value of an improvement. It measures the total loss in value from all causes that have occurred as of the date of the appraisal. The cost approach is more accurate for new structures, because there is less depreciation to calculate.

Physical deterioration is the wear and tear or breaking down of the physical structure. Appraisers often use benchmark properties to determine the effective age or percentage good of a property.

Functional obsolescence is a loss in value due to layouts and features when they are outdated or undesirable according to market tastes and standards. Examples include lack of closet space, ceilings too high or too low, and poor room arrangement.

External obsolescence is loss in value resulting from conditions outside the property. Examples

of external obsolescence include:

- Deterioration of a neighborhood due to social changes,
- Oversupply of housing,
- Changing traffic patterns,
- High unemployment,
- Or the proximity of dwelling to a sewage treatment plant or another undesirable location.

Understanding Measure 50

- Maximum Assessed Value
 - Greater of prior year AV x 1.03 and prior year MAV
- Assessed Value
 - Lesser of MAV or RMV

Tax Year	Prior Year AV x 1.03	Prior Year MAV	Current MAV	RMV	AV
21-22	\$98,618	\$95,746	\$98,618	\$121,330	\$98,618
22-23	\$101,576	\$98,618	\$101,576	\$103,131	\$101,576
23-24	\$104,623	\$101,576	\$104,623	\$97,974	

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The term Maximum Assessed Value (MAV) was created in 1997 when Oregon voters passed Measure 50. Maximum assessed value (MAV) is limited to grow by no more than 3% by the Oregon Constitution. Statutorily, maximum assessed value (MAV) is the greater of the prior year's assessed value multiplied by 103% or the prior year's maximum assessed value (MAV). The assessed value (AV) is simply the lesser of the maximum assessed value (MAV) or the real market value (RMV).

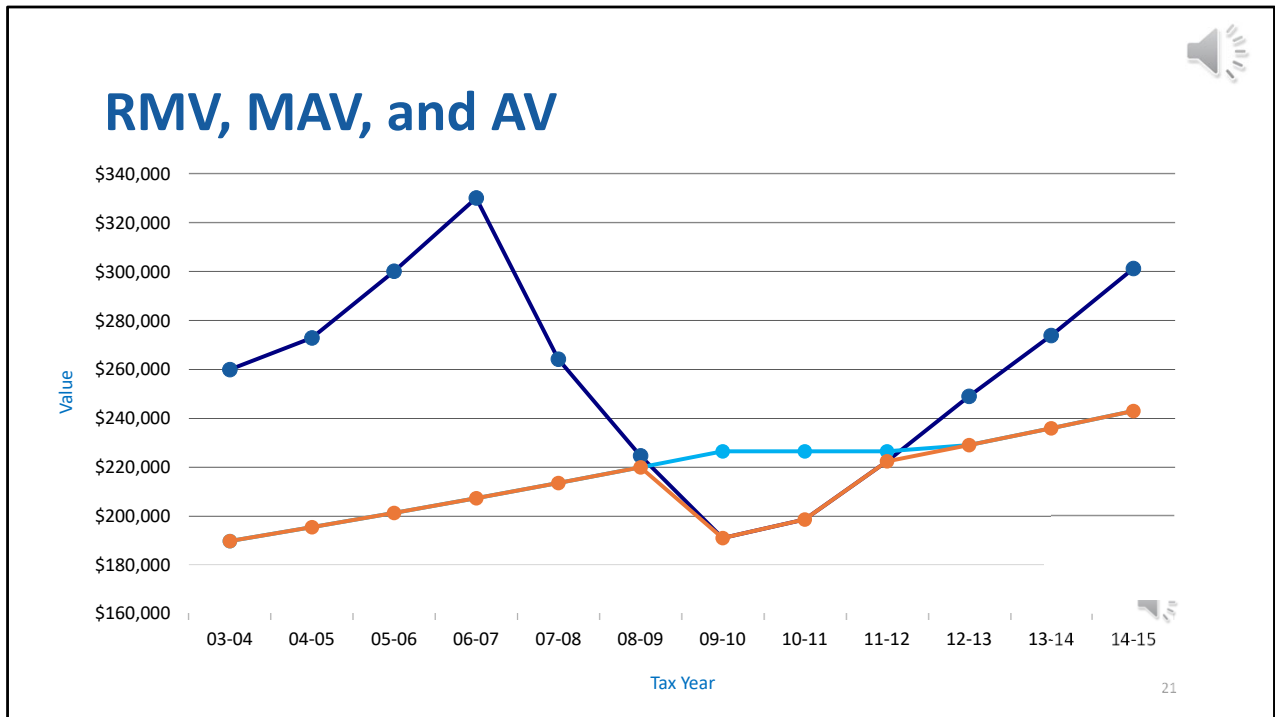
In the example above the real market value (RMV) is in decline. For 2018-19 the real market value (RMV) was \$121,330 and the maximum assessed value (MAV) was \$98,618. The maximum assessed value (MAV) was less, so the assessed value (AV) was \$98,618.

For the 2019-20 tax year the 2018-19 assessed value (AV) of \$98,618 multiplied by 103 percent equals \$101,576. Since that is greater than the 2018-19 maximum assessed value (MAV), it becomes the 2019-20 maximum assessed value (MAV). It is also less than the 2019-20 real market value (RMV) of \$103,131. So, the assessed value (AV) is also \$101,576.

For the 2020-21 tax year the 2019-20 assessed value (AV) multiplied by 103 percent equals \$104,623. Since that is greater than the 2019-20 maximum assessed value (MAV), it becomes the 2020-21 maximum assessed value (MAV). However, the 2020-21 real market value (RMV)

is \$97,974. Since that is less than the maximum assessed value (MAV), it becomes the 2020-21 assessed value (AV).

Note that for the 2021-22 tax year the 2020-21 assessed value (AV) of \$97,974 multiplied by 103 percent equals \$100,913, which is less than the 2020-21 maximum assessed value(MAV). So, the 2021-22 maximum assessed value (MAV) would remain equal to the 2020-21 maximum assessed value (MAV) of 104,623.



Here is the real market value (RMV), maximum assessed value (MAV) and assessed value (AV) of an actual property from 2003 through 2015 in a visual format. You can see that real market value (RMV) was very volatile. And while RMV (real market value) was increasing at a rapid pace, maximum assessed value (MAV) was limited to a 3% growth per year. Then real market value (RMV) begins to decline. Note that for the 07-08 tax year real market value (RMV) dropped considerably. It was still above the maximum assessed value (MAV), so the maximum assessed value (MAV) continued its 3% growth.

It is not until the real market value (RMV) drops below the maximum assessed value (MAV) that the assessed value (AV) then follows the real market value (RMV). At the same time, the maximum assessed value (MAV) levels off.

One thing to note is that the assessed value (AV) is not limited to 3% growth. When it is based on real market value (RMV), it follows the real market value (RMV) so long as it is less than the maximum assessed value (MAV). The 2011-12 assessed value (AV) grew by substantially more than 3%.

From 2012-13 forward the real market value (RMV) is considerably higher and than the maximum assessed value (MAV), and the maximum assessed value (MAV) and assessed value (AV) resumed a steady 3% growth.

Measure 50 Exceptions

- New Property or New Improvements
- General Ongoing Maintenance and Repair
- Minor Construction
- Changed Property Ratio (CPR)



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There are specific exceptions to the 3% growth limitation of maximum assessed value (MAV). The most common is where there has been new property or new improvements to property added to an account. This includes new construction, reconstruction, additions, remodeling, renovation and rehabilitation. It also includes the addition of machinery, fixtures, furnishings, equipment, or other taxable real or personal property.

New property or new improvements to property do not include general ongoing maintenance and repair (GOMAR). GOMAR is the replacement of materials due to normal wear, tear and deterioration. It preserves the condition of the existing property. GOMAR does not include any significant change in design or materials. However, an outdated component may be replaced with a modern equivalent for the same quality class of home, such as aluminum frame windows replaced with vinyl windows.

GOMAR is a common issue that you may need to navigate. It is also the one instance in which your decision may reduce the maximum assessed value (MAV) without reducing the real market value (RMV). If a petitioner claims that changes that were added as new improvements to property by the assessor were actually GOMAR, you will need to decide if the changes maintained the quality of the property, exchanging like for like, or were an upgrade that constituted a new improvement.

New property or new improvements to property with a real market value (RMV) of less than

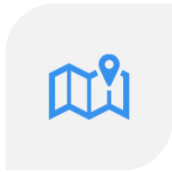
\$18,200 in any one year or less than \$45,000 in any consecutive five-year period are minor construction. They are not added to maximum assessed value (MAV) until they exceed one of those thresholds. These thresholds are updated annually by the Department of Revenue.

When property is added as an exception, such as new property or new improvements to property, the real market value (RMV) is multiplied by the changed property ratio (CPR) to determine the addition to maximum assessed value (MAV). The CPR (changed property ratio) is the average maximum assessed value (MAV) over the average real market value (RMV) of all property of the same property class in the county. This allows for the new property to receive the same average benefit of Measure 50 that similar property receives in the county.

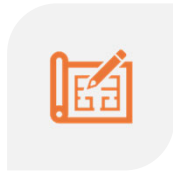
Measure 50 Exceptions



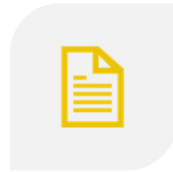
Subdivided
or Partitioned



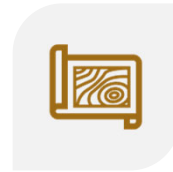
Rezoned



Omitted



Disqualified



Lot Line
Adjustments



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In addition to new property or new additions to property, there are five other changes to property that create exceptions to the 3% growth limitation of maximum assessed value (MAV). They are:

- When property is subdivided or partitioned.
- When property is rezoned and used consistently with the rezoning.
- When property is first taken into account as omitted property.
- When property is disqualified from an exemption, partial exemption, or special assessment.
- And when a lot line adjustment occurs.

As with new property, the maximum assessed value (MAV) of property affected by these exceptions is its real market value (RMV) multiplied by the CPR (changed property ratio). An exception applies to lot line adjustments, the total maximum assessed value (MAV) of all accounts after the lot line adjustment cannot exceed the total maximum assessed value (MAV) of all accounts before the lot line adjustment.



Tax Compression



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We will briefly touch on tax compression. Tax compression exists because when Measure 50 was passed, it did not repeal the limits imposed by Measure 5 in 1990.



Tax Compression

- Measure 5 Limitations
- Based on RMV
- PVAB and Compression



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Measure 5 imposed limitations on the taxes that could be assessed for schools and for general government. The limits were that taxes could not exceed five dollars per thousand of real market value (RMV) for education or ten dollars per thousand for general government operations.

Note that the limits are based upon real market value (RMV), not assessed value (AV). Under Measure 50 taxes are calculated by multiplying the tax rates by the assessed value (AV). After the taxes are calculated, if the amount of the taxes exceeds the Measure 5 limitations, the taxes must be compressed to fit within those limitations.

For PVAB, all you need to know is that if you reduce real market value (RMV), but it does not go below the maximum assessed value (MAV) or assessed value (AV), there is still the possibility that the petitioner will see some tax relief. The compression is calculated by the tax collector.



Decisions and Orders



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The board must reach a decision and issue an order for all petitions filed except for those resolved by a stipulation before the board convenes.

Decisions

- Burden of Proof
- Weighing Evidence
- Arm's Length Sales
- Range of Value
- Procedures



The burden of proof is on the party seeking affirmative relief, which is the petitioner. The burden of proof is met by a preponderance of the evidence.

What does preponderance mean? It means the evidence has greater weight and is more convincing than the evidence presented by the other party.

The burden may shift after the petitioner presents evidence that is at least marginally relevant and convincing. The assessor must then present evidence that is more convincing. To meet the burden of proof, the petitioner must present a preponderance of evidence that the value they are requesting is correct.

It is important to make decisions based on the evidence presented. Examples of potentially convincing evidence include:

- An arms-length sale of the subject property near the assessment date.
- A professional appraisal estimating the value of the property near the assessment date.
- Comparable properties sold near the assessment date, with adjustments made to the sales prices for differences between them and the subject property.

Costs of new construction performed by a professional contractor at market rates.

- Estimates of costs to repair the property as of the assessment date, if damage exists that was unknown to the assessor.
- Information regarding leases, rents, occupancy, and expenses for commercial property.

Examples of evidence that is not convincing include:

- Comparisons of taxes paid on similar or neighboring property. For a wide variety of reasons, the taxes on two properties with the same real market value (RMV) can differ.
- Comparisons of tax roll values. These values do not represent market transactions. They are not conclusive to a single property's real market value (RMV).
- Unsupported opinions of value, such as an owner's opinion that the property could not be sold for the roll value. This also means that just the cover sheet of an appraisal or competitive market analysis is not persuasive without the underlying analysis that was used to arrive at the opinion of value.

Any sales of property provided as evidence must be arm's length transactions to reflect market value. This requires that:

- The property was advertised on the open market for a reasonable length of time,
- The parties are not related or business partners,
- The parties are knowledgeable about the market.
- Neither party is under any duress to sell or buy.

Real market value (RMV) may be represented by a range of value that is typical for the type of property involved. Appraisal is not an exact science. It is widely accepted that any two appraisers may arrive at values that are deemed accurate for a property, even though they may vary by as much as 10 percent. The board must decide if the real market value (RMV) on the roll falls within the range of value indicated by the evidence.

After considering all information and weighing the evidence, one board member makes a motion to take specific action on the petition. Another member seconds the motion unless otherwise specified in the board's adopted procedures. All members then state their vote. The chairperson states the board's decision for the record. All official actions by governing bodies must be taken by public vote.

The board only needs to reach a majority agreement on a motion recommending a particular action or decision. The board may hear a petition when only two members are present, but this should be avoided, if possible. Both members will have to agree

to any reduction in values. If the two members did not agree, they must sustain the roll values for lack of a consensus to do otherwise.

The board is not required to make a decision at the time of the hearing. However, if petitioners are present, the board should ask them if they wish to be present when the decision is made. If so, the board must provide petitioners with the date and time the decision will be reached.

Decisions

- Real Property Petitions
- Personal Property Petitions
- Penalties for Waiver of Late Filing Penalties



A motion for a decision needs to be a specific. For real property cases, it should include whether the real market value (RMV) is sustained or reduced, the real market value (RMV) of each component of value, land and improvements, found by the board, the total real market value (RMV) found by the board, and if there is an exception, the real market value (RMV) of the exception found by the board. It should also include the whether the maximum assessed value (MAV) and assessed value (AV) are sustained or reduced, and those values found by the board.

Whenever the board reduces personal property value, the decision should list the real market value (RMV) of the individual items, categories or schedules as submitted on the petition, whether the values are sustained or reduced, and the values found by the board. The values of individual items not listed in the petition do not have to be addressed. The decision should also include the total real market value (RMV) of the account as found by the board.

PVAB may waive the liability for all of a late filing penalty if the year for which the return was filed was both the first year that a return was required to be filed by the taxpayer and the first year for which the taxpayer filed a return. In addition, the board may waive the liability for all or a portion of the penalty upon a proper showing of good and sufficient cause for the late filing.

Good and Sufficient Cause



Definition



Extraordinary
Circumstances



Not Extraordinary
Circumstances



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Good and sufficient cause is defined as “an extraordinary circumstance beyond the control of the taxpayer, or the taxpayer’s agent or representative.” This would include an illness, unavoidable absence or a disability that substantially impairs a taxpayer’s ability to file timely. It also would include reasonable reliance on misinformation provided by the county assessment and taxation staff or by Department of Revenue staff. The taxpayer would need to provide documentation that there was misinformation. If the misinformation occurred during a conversation, the taxpayer would need to have the name of the person who gave the advice and corroboration of the conversation from that person. Good and sufficient cause generally does not include the taxpayer’s oversight, inadvertence or lack of knowledge about the filing requirements, financial hardship or reliance on information provided by a real estate agent, broker, attorney, or other professional not employed by the assessor or the Department of Revenue.

Orders

- General Information
- Contents of Board Orders
- Personal Property
- Who May Sign



An order is a formal written directive to the officer in charge of the roll to correct or sustain the value on the tax roll or to sustain, waive, or reduce real or personal property late filing penalties. An order must be issued for every petition received by the board except those for which a stipulation is filed prior to the time the board convenes. For late or withdrawn petitions, or petitions outside the board's jurisdiction, the order will dismiss the petition and state the reason for the dismissal.

Orders must contain:

- The petitioner's name.
- The petitioner's or their representative's address. If the petitioner is represented, the order must be mailed to the representative.
- Identification of the subject property.
- The real market value (RMV) of each component (land, improvements, manufactured structure) and the total real market value (RMV) of the property on the current tax roll and as found by the board.
- The real market value (RMV) of the exception on the current tax roll and as found by the board, if applicable.
- The maximum assessed value (MAV) on the current tax roll and as found by the board.
- The assessed value (AV) on the current tax roll and as found by the board.
- Tax year subject to the order.

- Date the order is signed and the date the order is mailed.
- Signatures of at least two board members who heard the appeal, unless it is an amended order correcting a clerical error.
- An order for personal property must contain the values on the tax roll and the values ordered by the board for the individual items or categories/schedules of personal property **as they are listed in the petition.** Again, the values of individual items not listed in the petition do not have to be addressed in the order.

The appeal rights of the petitioner must be attached to or included with the order.

Only those members who were present at the hearing may sign orders. At least two members must sign the order to meet the quorum requirements.

Orders

- Deadline for Issuing
- Delivery
- Amended



All orders from the regular session of the board must be signed by April 15.

Orders must be delivered to the representative if a representative has been designated on the petition. The orders may be delivered in person at the hearing or by mail. If orders are mailed, they must be postmarked within five days of the date the order is signed. All orders must be delivered to the assessor and the officer in charge of the roll on the same day they are delivered or mailed to the petitioner or representative.

The board may issue amended orders to correct clerical errors or errors of jurisdiction appearing in the original orders. A board may authorize a board member or clerk of the board to amend orders to correct clerical errors. Amended orders correcting an error in jurisdiction may be issued only during a board's session, or by call of the chairperson. Amended orders may be issued through June 30.

“Clerical error” means an error in an order that either arises from an error in the minutes of a board or is a failure to correctly reflect the minutes of a board and that, had it been discovered prior to the order being issued, would have been corrected as a matter of course. In order to be a clerical error, the information necessary to make the correction must be contained in the minutes of the board.

“Error of jurisdiction” means an error in an order resulting from a board’s failure to correctly apply the board’s authority as granted under ORS 309.026.



Appeals of Board Decisions



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What is the remedy for someone dissatisfied with the board's decision?



Appeals of Board Decisions

- Generally
- Magistrate Procedure
- Orders of Dismissal
- Waiver of late filing penalty



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The petitioner, the assessor or both parties may appeal the board's decision.

PVAB orders are subject to appeal to the Magistrate Division of the Oregon Tax Court. The appeal must be filed within 30 days after the PVAB order is mailed or delivered. There is a fee to appeal. Information on how to file an appeal is included with the board order.

The Magistrate Division hears appeals without regards to the PVAB record. Evidence must be resubmitted, and new evidence is allowed. There is no statutory time limit for the Magistrate to examine evidence and render a decision. However, if the appeal is from an order of dismissal from the board, the Magistrate must first determine if the dismissal was appropriate.

A board order sustaining or waiving a late filing penalty cannot be appealed to the Magistrate. The board's order is final.

End of Module Two

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Thank you for taking this training for property value appeals board members. If you have any questions regarding the material or your duties as a board member, you may contact us at PTD.ProgramAssistance@dor.oregon.gov.