

CPR?
RMV?
MAV?
Whaddya' talking about??!

On your assessment and tax documents, you'll see abbreviations like **RMV**, **MAV**, and **CPR**.

What's "RMV"?

Whenever new 'improvements value' is added to the tax roll, an estimate is made of the new construction cost. It's a calculated, **Estimated Real Market Value**. Usually, it's not the same exact dollar amount you paid (or spent to do it yourself). It's the conservatively estimated cost as if done by a contractor; hopefully very close, but not necessarily exactly identical. Sometimes, it is a fixed, set amount for an entire category of improvement (such as On Site Development, or "OSD"), averaged for each particular city or county-wide for rural properties.

What's "MAV"?

When we're adding new RMV above a 'minor' dollar amount, a new **Maximum Assessed Value** is also calculated.

Maximum assessed value (MAV) is the taxable value limit established for each property. The first MAV for each property was set in the 1997-98 tax year. For that year, the MAV was the property's 1995-96 RMV minus 10 percent

For value additions in and after 1997, MAV is only calculated once: at the time the new Improvements are first added to the property tax roll. After that, as Measure 50 directs us, MAV is incrementally increased by up to 3% each year under most market conditions. There IS a case when it doesn't increment up by 3%; but more about that later. To determine the added new MAV associated with any added new RMV, multiply the newly-added RMV times the CPR.

What's "CPR"?

The **ratio of MAV to RMV** is called the **Changed Property Ratio, or "CPR"**. So how do we calculate it?

Step 1) Separate all properties in the county into different Classes:

Class 1 is Residential, Class 2 is Commercial, Class 3 is Industrial, Class 4 is Forest (Tract), Class 5 is Farm, Class 6 is Highest and Best Use as Forest, Class 7 is Multi-Family housing, Class 8 is Recreational land, Class 9 is Exempt from taxation.

Step 2) For each Class, add up all the MAV values for every unchanged parcel in that Class. Divide that sum by the number of parcels you just added. Your resultant figure is the **Average MAV**.

Step 3) For each Class, add up all the RMV values for every unchanged parcel in that Class. Divide that sum by the number of parcels you just added. Your resultant figure is the **Average RMV**.

Step 4) Now, simply divide: Avg. MAV / Avg. RMV. **That ratio is called the CPR.** eg: 0.784 is 78.4%

OK; I have the RMV, the MAV, and the CPR. Now what?

To determine the added new MAV associated with any added new RMV, multiply the newly-added RMV times the CPR. Your new 'total MAV' is the sum of (the existing MAV) plus (the MAV associated with your new added RMV).

It's a nearly-impossible (and prohibitively expensive and inefficient) task to re-appraise each and every parcel and structure each and every year. Oregon's 'Mass Appraisal' program uses Trending in between those years when properties actually are re-appraised.

Each year in September, the RMV's that existed nine months earlier on Jan 1st (at 1 am) are "Trended". (In most cases, any new RMV value added since Jan 1st is generally not trended until the following year.) Land is trended separately from Improvements. The trend factors are calculated annually from analyzing actual verified sales in the area from the previous calendar year.

For example: Some recent historic CPR's and Trend factors: (These are for Coos Bay area Multi-family housing)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
CPR:	.784	.692	.599	.557	.593	.609
Land Trend:	.98	.75	.92	.83	1.00	1.00
Imps trend:	.80	.83	.92	.83	1.00	1.00

Important NOTE: If you have a question about RMV, TAV, MAV, or any assessment question, contact us. Sooner is better than later. For MAV adjustments on newly-added value, you have only one year once established. After that, changes are unlikely. Please call us: (541) 396-7900 or check the Assessor's web page:

<http://www.co.coos.or.us/Departments/Assessors.aspx>

<http://propertywebquery.co.coos.or.us/propertywebquery/MainQueryPage.aspx?QueryMode=&Query=>

Here are some links for more detailed explanations from the Oregon Department of Revenue:

- http://www.oregon.gov/DOR/ptd/pages/ic_303_670.aspx Real Property Assessment and Taxation
- http://www.oregon.gov/dor/PTD/docs/how-to-appeal-your-property-value_303-668.pdf
- <http://www.oregon.gov/dor/PTD/docs/310-092.pdf> Correction of MAV Due to Error in Square Footage
- <http://www.oregon.gov/dor/PTD/docs/application-reduction-demolished-removed-150-310-086.pdf>
- http://www.oregon.gov/dor/ptd/Pages/ic_303_688.aspx Request for Supervisory Review
- http://www.oregon.gov/dor/PTD/Pages/appr_methods.aspx Appraisal Methods Manual

About the annual 3% increment: Your taxes are ALWAYS calculated on the lower of two numbers: either the estimated RMV (**Real Market Value**) or the MAV (remember, it's a '**Maximum Assessed Value**'). Whichever value is used, it is formally called "**Taxable Assessed Value, or TAV**". Once each year, after the previous year's RMV has been trended, the 'new' RMV is compared to the MAV. If the RMV is lower than the MAV, the MAV does not increase by 3%. It doesn't increase again until the market conditions have improved once again to the point where your RMV has become higher than the 'frozen' RMV.