

A-Engrossed
House Bill 3295

Ordered by the House May 4
Including House Amendments dated May 4

Sponsored by Representative HUNT; Representatives BARNHART, BOONE, BUCKLEY, CLEM, COWAN, C EDWARDS, D EDWARDS, GELSER, KOMP, KOTEK, NATHANSON, RILEY, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes principal residence property tax exemption from local option property taxes for dwelling units of senior citizens and persons with disabilities. **Defines "local option property tax."**

Applies to local option property taxes approved after January 1, 2008, and to tax years beginning on or after July 1, 2008.

A BILL FOR AN ACT

1
2 Relating to local option property tax exemption.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 4 of this 2007 Act:**

5 (1) **"Dwelling unit" means a structure or part of a structure providing complete, inde-**
6 **pendent living facilities for one or more persons, including permanent provisions for sleeping,**
7 **eating, cooking and sanitation, and the land supporting the structure or otherwise associated**
8 **with the structure and may be further defined by rule of the Department of Revenue.**

9 (2) **"Household income" has the meaning given that term in ORS 310.630 and includes the**
10 **income of the taxpayer's household.**

11 (3) **"Income" has the meaning given that term in ORS 310.630.**

12 (4) **"Local option property tax" means a local option ad valorem property tax described**
13 **under section 11 (4)(b) or (7)(c), Article XI of the Oregon Constitution, that is levied by a**
14 **school district. A "local option property tax" includes a local option tax that permits a school**
15 **district to issue bonds payable from that tax. For purposes of this subsection, "school dis-**
16 **trict" has the meaning given that term in ORS 330.003.**

17 (5) **"Occupy" means to live or dwell in or on the property, notwithstanding temporary**
18 **absences of limited duration. If a taxpayer is temporarily absent from the principal resi-**
19 **dence, or if the taxpayer is absent from the principal residence due to illness, the taxpayer**
20 **shall nevertheless be considered an occupant of the property. A taxpayer who has entered a**
21 **long term care facility for the purpose of receiving long term care may not be considered**
22 **an occupant of the long term care facility. For purposes of this subsection, "temporary ab-**
23 **sence" and "long term care" may be further defined by the department by rule.**

24 (6) **"Own" means:**

25 (a) **To be the holder of record, either alone or with another or others, of a fee simple**
26 **estate, a life estate or the right to possession under a trust instrument or a contract of sale.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) If the property is a manufactured dwelling or floating home, to be the registered
2 owner, either alone or with another or others.

3 (c) If the property is a dwelling unit owned by a cooperative housing corporation, to be
4 a tenant-stockholder of that corporation.

5 (7) "Person with a disability" means a person who:

6 (a) Has been determined to be eligible to receive or who is receiving federal Social Secu-
7 rity benefits due to disability or blindness, including a person who is receiving Social Security
8 survivor benefits in lieu of Social Security benefits due to disability or blindness; or

9 (b) A guardian or conservator acting on behalf of the person described in paragraph (a)
10 of this subsection.

11 (8) "Principal residence":

12 (a) Means real or personal property, subject to property taxation and located in Oregon,
13 that is owned and occupied by the taxpayer as a dwelling unit.

14 (b) Does not mean that portion of a dwelling unit that is rented to another person.

15 (c) Does not mean more than one dwelling unit in this state, even if the taxpayer owns
16 and occupies more than one dwelling unit that would otherwise be considered a principal
17 residence.

18 (9) "Senior citizen" means any person who is at least 62 years of age on April 15 of the
19 year for which a local option property tax exemption is claimed.

20 (10) "Taxpayer" means:

21 (a)(A) A person with a disability; or

22 (B) If the person with a disability files a joint return with the spouse of the person, the
23 person and spouse.

24 (b)(A) A senior citizen; or

25 (B) If the senior citizen files a joint return with the spouse of the senior citizen, the
26 senior citizen and spouse.

27 **SECTION 2.** (1) Upon the taxpayer's compliance with section 3 of this 2007 Act, a prin-
28 cipal residence owned and occupied by a taxpayer with a household income of \$32,000 or less
29 is exempt from local option property tax.

30 (2) The amount of the exemption shall equal the amount of local option property tax that
31 exceeds the local option property tax paid by the taxpayer for the prior tax year.

32 **SECTION 3.** (1)(a) A taxpayer qualifying for the exemption under section 2 of this 2007
33 Act shall file with the county assessor, on forms supplied by the assessor, a claim in writing
34 on or before April 1 of the assessment year for which the exemption is claimed, except that
35 when the property designated is acquired after March 1 but prior to July 1 the claim shall
36 be filed within 30 days after the date of acquisition.

37 (b) Not later than April 10 of each year, the county assessor shall notify each taxpayer
38 in the county who secured an exemption under section 2 of this 2007 Act in the preceding
39 year but who did not make application therefor on or before April 1 of the current year. Such
40 notice may be given on an unsealed postcard. Any taxpayer so notified may secure such ex-
41 emption, if still qualified, by making application therefor to the county assessor not later
42 than May 1 of the current year, accompanied by a late-filing fee of \$10 that shall be deposited
43 in the general fund of the county for general governmental expenses. If the claim for any
44 year is not filed within the time specified, the exemption shall not be allowed on the assess-
45 ment roll of that year.

1 **(2)(a) The claim shall include the basis of the claim and designate the property to which**
2 **the exemption may apply. Claims for exemptions under section 2 of this 2007 Act shall con-**
3 **tain:**

4 **(A) The name of the taxpayer as it appears on the taxpayer's Social Security card.**

5 **(B) The Social Security number of the taxpayer.**

6 **(C) The date of birth of the taxpayer.**

7 **(D) The tax lot number or numbers or other identification for the taxpayer's principal**
8 **residence.**

9 **(E) If the taxpayer is a senior citizen:**

10 **(i) The names and Social Security numbers of all family members of the taxpayer residing**
11 **at the taxpayer's principal residence; and**

12 **(ii) The total household income of the taxpayer and the taxpayer's family residing at the**
13 **taxpayer's principal residence.**

14 **(b) There also shall be affixed to each claim the affidavit or affirmation of the claimant**
15 **that the statements contained therein are true.**

16 **SECTION 4. For property tax years beginning on or after July 1, 2009, the Department**
17 **of Revenue shall recompute the maximum amount of household income a taxpayer may re-**
18 **ceive in a preceding calendar year in order to be eligible for the exemption under section 2**
19 **of this 2007 Act. The computation shall be as follows:**

20 **(1) Divide the U.S. City Average Consumer Price Index for the average of the first six**
21 **months of the previous calendar year by the U.S. City Average Consumer Price Index for the**
22 **average of the first six months of 2007 to calculate an indexing ratio for the current taxable**
23 **year.**

24 **(2) Multiply the maximum household income provided in section 2 of this 2007 Act by the**
25 **current taxable year indexing ratio, computed as provided in subsection (1) of this section.**

26 **SECTION 5. Sections 1 to 4 of this 2007 Act apply to local option property taxes approved**
27 **after January 1, 2008, and to tax years beginning on or after July 1, 2008.**

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