

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Veterans and Emergency Preparedness

REVENUE: Revenue statement issued (“lite”)**FISCAL:** Minimal fiscal impact, no statement issued**SUBSEQUENT REFERRAL TO:** Finance and Revenue**Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Cheyenne Ross, Administrator**Meeting Dates:** 2/24, 3/3, 3/10

WHAT THE MEASURE DOES: Exempts from taxation up to \$60,000 of assessed value of home or personal property of veterans with service-connected disability of 100 percent. Extends property tax exemptions to surviving spouses who remarry the first time at age 57 or older.

ISSUES DISCUSSED:

- Unknown number of veterans or surviving spouses that could claim exemption
- Approximately 7,600 in Oregon with 100-percent service-connected disability; perhaps about 60% that own homes
- Other states offer a variety of property tax exemptions; some more generous, some less

EFFECT OF COMMITTEE AMENDMENT:

[-1 amendment] Removes extension of exemption to surviving spouses who remarry for the first time after age 56 (reverts to current standard).

BACKGROUND: Oregon currently offers a couple of property tax exemptions to qualifying disabled veterans, at ORS 307.250. The first exemption is up to \$15,000 of the assessed value of the veteran’s home or personal property, if the veteran is at least 40 percent disabled with gross earnings that don’t exceed a certain limit. This exemption may be claimed by the veteran’s surviving spouse so long as he or she does not remarry. The second exemption is up to \$18,000 of the assessed value of the veteran’s home or personal property, if the veteran suffers from a service-connected disability or disabilities of at least 40%. This exemption may also be claimed by the veteran’s surviving spouse, so long as he or she remains unmarried, if the veteran received the exemption for at least a year prior to death, or died from service-connected injury or illness.

Senate Bill 434 does two things: It creates a third, higher exemption of up to \$60,000 of the assessed value of a veteran’s home or personal property, for veterans who suffer from a service-connected disability or disabilities of 100 percent (which may also be claimed by the veteran’s surviving spouse if it was received for a year prior to the veteran’s death, or if the veteran died from service-connected injury or illness); and it permits otherwise eligible surviving spouses to claim tax exemptions at any level, even if they remarry, so long as they remarry for the first time at the age of 57 or older.