

## Testimony on SB 197 -1

The department is neutral on the policy of granting a limited property tax exemption to the residences of surviving spouses of fire service professionals and police officers. We are concerned about the administrative aspects of the exemption and recommend that the committee consider changes that would make the amendment more efficient and uniform from a tax administration perspective and less frustrating for potentially eligible applicants.

### **SB 197 -1 Amendment**

This amendment will require surviving spouses file annually even if there is no change in their circumstances as to all relevant qualifications...unlike the veteran's partial exemption.

If the surviving spouse applies on April 6<sup>th</sup>, 6 days late, the application will be denied for the following tax year...unlike the veteran's partial exemption which has a late filing provision.

The amendment exempts a portion of the account-the residence. Taxes are a function of the total assessed value of the account and cannot be parsed between the residence and the rest of the property in the account. The assessor will not be able to parse the account between the residence and the other property on the account as far as the taxes are concerned unless the residence is the only property in the account...unlike the veteran's partial exemption which applies to the entire account.

The amendment does not define what it means to be "killed in the line of duty". The assessor will not know whether or not the documentation verifies that requirement...unlike the veteran's partial exemption that provides for a certification by an independent body.

The amendment allows the surviving spouse to remarry and remain qualified...unlike the veteran's partial exemption which terminates on remarriage.

The amendment may allow the residence of the surviving spouse to qualify even if they do not own the residence...unlike the veteran's partial exemption which specifically requires the homestead be "own[ed] or have in possession under a recorded contract of purchase".

The amendment is confusing in that it calls for a dollar amount of assessed value to be exempt from "fees, charges and assessments". That concept mixes an assessed value exemption with a tax exemption. Either the taxable value can be limited or the tax can be exempt...unlike the veteran's partial exemption which simply sets an assessed value exemption threshold.

The veteran's partial property tax exemption in ORS 307.250 to 307.280 provides a model for which the counties have software programmed to manage, issues that have been vetted or otherwise resolved and court cases that settle any nuances in the law. The only differences I see between the existing program for veterans and the proposed program are the target audience and the trigger event.

I urge you to consider the advantages of the existing model.

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June 29, 2015