

**SB 694 STAFF MEASURE SUMMARY**

**Senate Committee On Veterans and Emergency Preparedness**

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**Prepared By:** C Ross, LPRO Analyst

**Sub-Referral To:** Senate Committee On Finance and Revenue

**Meeting Dates:** 2/28

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**WHAT THE MEASURE DOES:**

Increases the upper limit of two existing property tax exemptions for disabled veterans and their unremarried surviving spouses from \$15,000 to \$60,000 and from \$18,000 to \$65,000, and creates a third exemption of up to \$150,000 of the assessed value of a homestead or personal property. Takes effect the 91st day after sine die.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: May have revenue impact, but no statement yet issued*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Oregon currently provides a couple of property tax exemptions in statute for qualifying disabled veterans and their unremarried surviving spouses, of up to \$15,000 and up to \$18,000 of the assessed value of their homestead or personal property. The amounts vary depending on whether the veteran's disabilities are service-connected or not, and because the limits increase by three percent each year, the current value of these exemptions is \$20,763 and \$24,917, respectively, according to the Oregon Department of Revenue. The former exemption may be claimed by veterans that are government-certified as having disabilities of at least 40 percent; by veterans who are certified as at least 40 percent disabled by any duly licensed physician who are also low-income; and by the unremarried surviving spouse of any veteran. The latter exemption may be claimed by veterans with government-certified, service-connected disabilities of at least 40 percent; by the unremarried surviving spouses of veterans who died from service-connected injuries or illness; and by the unremarried surviving spouses of veterans who received at least one year of the maximum exemption allowed after 1981 for those with government-certified service-connected disabilities of at least 40 percent.

Senate Bill 694 increases the upper limit for two existing property tax exemptions for disabled veterans and surviving spouses, by about four times the amount currently listed in statute. It also modifies the criteria to claim the second exemption, and creates a third, higher exemption of up to \$150,000 of the assessed value of the veteran's or surviving spouse's homestead or personal property. The eligibility criteria for the first exemption remains the same, and all three exemptions maintain a three-percent rate of increase every year. The second exemption may be claimed by veterans with government-certified, service-connected disabilities of 40 to 99 percent; by the unremarried surviving spouses of veterans who died from service-connected injuries or illness; and by the unremarried surviving spouses of veterans who received at least one year of the maximum exemption allowed after 1981 for those with government-certified service-connected disabilities of 40 to 99 percent. The third and highest exemption may be claimed by veterans with government-certified, service-connected disabilities of 100 percent or more; by the unremarried surviving spouses of veterans who died from service-connected injuries or illness; and by

the unremarried surviving spouses of veterans who received at least one year of the maximum exemption allowed after 1981 for those with government-certified service-connected disabilities of 100 percent or more. The measure also permits counties to establish low-income criteria for those claiming the highest exemption.

PRELIMINARY