

HB 2235 STAFF MEASURE SUMMARY**House Committee On Veterans and Emergency Preparedness**

Action Date: 02/23/17**Action:** Do pass and be referred to Revenue by prior reference**Vote:** 6-0-1-0**Yeas:** 6 - Esquivel, Evans, Lively, Meek, Parrish, Post**Exc:** 1 - Boone**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Bradley Volk, LPRO Analyst

WHAT THE MEASURE DOES:

Allows counties to exempt from taxation, up to 100 percent of the assessed value of the home or personal property of veterans or their surviving spouses. Takes effect the 91st day after *sine die*.

ISSUES DISCUSSED:

- Exemptions in current law are capped, and vary depending on whether a veteran's disability is service-connected or not
- Allowing counties to lift cap and apply different or no criteria to qualify

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon currently provides a couple of property tax exemptions to qualifying disabled veterans and their unremarried surviving spouses. As of 2017, according to the Oregon Department of Revenue, the first exemption is up to \$20,763 of the assessed value of the veteran's home or personal property. This exemption may be claimed by veterans who are officially certified by the U.S. Department of Veterans Affairs or any branch of the U.S. armed forces 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 second exemption is up to \$24,917. This exemption may be claimed by veterans with service-connected disabilities of at least 40 percent, as certified by the U.S. Department of Veterans Affairs or any branch of the U.S. armed forces; 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 officially-certified service-connected disabilities of at least 40 percent. Both exemption amounts increase by three percent each year.

House Bill 2235 provides counties with broad discretion to grant tax exemptions up to 100 percent of the assessed value of a veteran's or surviving spouse's home or personal property and to alter or lift disability and low-income requirements altogether.