

Senate Bill 769

Sponsored by Senator KNOPP

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 **as introduced**.

Provides, for purposes of ad valorem property taxation, frozen assessed value for homestead of individual at least 68 years of age, or person with disability, if homestead and individual would be eligible for homestead property tax deferral program but for fact that homestead is pledged as security for reverse mortgage. Provides that frozen assessed value equals assessed value of homestead for property tax year immediately preceding first property tax year to which valid claim relates. Provides that, after occurrence of certain circumstances, homestead shall be assessed and taxed as other property similarly situated is assessed and taxed.

Sunset program after six years. Maintains frozen assessed value for homesteads granted frozen assessed value before sunset.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a frozen assessed value for the homesteads of certain individuals; and prescribing an
3 effective date.

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

5 **SECTION 1. (1)(a) Notwithstanding any other provision of law, a homestead, as defined**
6 **in ORS 311.666, owned or co-owned by an individual described in subsection (3) of this section**
7 **who has filed a valid claim under subsection (4) of this section shall have a frozen assessed**
8 **value determined under subsection (2) of this section.**

9 **(b) The assessed value of the homestead for any property tax year shall be the least of:**

10 **(A) The homestead's maximum assessed value as determined under ORS 308.146;**

11 **(B) The homestead's real market value; or**

12 **(C) The homestead's frozen assessed value.**

13 **(2) The frozen assessed value of a homestead shall equal the assessed value of the**
14 **homestead as shown on the tax statement delivered pursuant to ORS 311.250 with respect**
15 **to the homestead for the property tax year immediately preceding the first property tax year**
16 **to which a valid claim filed under subsection (4) of this section relates.**

17 **(3) An individual is eligible to file a claim for the frozen assessed value under this section**
18 **if:**

19 **(a)(A) The individual is 68 years of age or older at the time the claim is filed; or**

20 **(B) The individual is a person with a disability as defined in ORS 311.666; and**

21 **(b) The homestead would be eligible for, and the individual would be eligible to claim,**
22 **property tax deferral under ORS 311.666 to 311.701 but for the fact that the homestead is**
23 **pledged as security for a reverse mortgage.**

24 **(4)(a) An individual's claim for a frozen assessed value for the individual's homestead**
25 **under this section must:**

26 **(A) Be in writing on a form supplied by the Department of Revenue;**

27 **(B) Describe the homestead;**

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 (C) Recite all facts establishing the eligibility of the homestead for, and of the individual
2 to claim, the frozen assessed value; and

3 (D) Have attached:

4 (i) Any documentary proof required by the department; and

5 (ii) A written declaration by the individual that the statements contained in the claim
6 are true.

7 (b) The claim must be filed with the assessor of the county in which the homestead is
8 located after January 1 and on or before April 15 immediately preceding the property tax
9 year for which the frozen assessed value is claimed.

10 (5) The county assessor shall forward each claim filed under this section to the depart-
11 ment, and the department shall determine whether the homestead is eligible for, and the
12 individual is eligible to claim, the frozen assessed value. The department shall notify the
13 county assessor of the department's determination.

14 (6) If the individual and the homestead are determined to be eligible, a timely claim for
15 the frozen assessed value has the effect of requiring the county assessor to determine the
16 total amount of taxes due on the individual's homestead in accordance with this section.

17 (7) Any individual aggrieved by the denial of a claim for the frozen assessed value under
18 this section may appeal to the Oregon Tax Court in the manner provided by ORS 305.404 to
19 305.560.

20 (8) The frozen assessed value under this section is in addition to and not in lieu of any
21 other property tax limit, exemption or partial exemption, special assessment or deferral.

22 (9) If, as of January 1 of the assessment year, any of the following circumstances have
23 occurred since the immediately preceding January 1, the homestead shall be assessed and
24 taxed as other property similarly situated is assessed and taxed:

25 (a) The individual who claimed the frozen assessed value on the homestead dies or, if
26 there was more than one claimant, the survivor of the individual who originally claimed the
27 frozen assessed value dies.

28 (b) The homestead granted the frozen assessed value is sold, or a contract to sell is en-
29 tered into, or a person other than the individual who claimed the frozen assessed value, in-
30 cluding a transferee, becomes the owner of the homestead.

31 (c) The homestead is no longer the homestead of any individual who claimed the frozen
32 assessed value, except in the case of an individual required to be absent from the homestead
33 by reason of health.

34 (d) The homestead granted the frozen assessed value is a manufactured structure or
35 floating home and has been moved out of the state.

36 (e) New property or new improvements as defined in ORS 308.149 have been added to the
37 tax account of the homestead that has been granted the frozen assessed value.

38 **SECTION 2.** Section 1 of this 2021 Act applies to property tax years beginning on or after
39 July 1, 2021.

40 **SECTION 3.** (1) A claim for frozen assessed value under section 1 of this 2021 Act may
41 not be made for a property tax year that begins on or after July 1, 2027.

42 (2) Notwithstanding subsection (1) of this section, a homestead granted a frozen assessed
43 value under section 1 of this 2021 Act for any property tax year that begins before July 1,
44 2027, shall continue to have the frozen assessed value as long as the homestead remains eli-
45 gible for, and the individual granted the claim for the frozen assessed value remains eligible

1 to claim, the frozen assessed value.

2 **SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021**
3 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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