

A-Engrossed
Senate Bill 884

Ordered by the Senate April 4
Including Senate Amendments dated April 4

Sponsored by Senator THATCHER, Representative EVANS, Senator MANNING JR; Senators HANSELL, SMITH DB (at the request of Vietnam Veterans of America, Oregon State Council)

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.

Grants higher property tax exemption for property of veterans with disabilities. Grants exemption for veteran's surviving spouse who remains unmarried.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax exemption for disabled veterans; creating new provisions; amending ORS
3 307.250, 307.260 and 307.270; and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.250 is amended to read:

6 307.250. (1) As used in [*this section and ORS 307.260, 307.262 and 307.270,*] **ORS 307.250 to**
7 **307.280:**

8 (a) **“Surviving spouse of a veteran” means a veteran’s surviving spouse who has not re-**
9 **married.**

10 (b) “Veteran” has the meaning given that term in ORS 408.225.

11 (2) Upon compliance with ORS 307.260, there shall be exempt from taxation not to exceed
12 [*\$15,000*] **\$60,000** of the assessed value of the homestead or personal property of any of the following
13 residents of this state other than those described in subsection (3) **or (4)** of this section:

14 (a) Any veteran who is officially certified by the United States Department of Veterans Affairs
15 or any branch of the Armed Forces of the United States as having disabilities of 40 percent or more.

16 (b) Any veteran having served with the United States Armed Forces who, as certified by one
17 duly licensed physician or naturopathic physician, is rated as having disabilities of 40 percent or
18 more. [*However, a veteran shall be entitled to the exemption granted under this paragraph only if the*
19 *veteran during the calendar year immediately preceding the assessment year for which the exemption*
20 *is claimed had total gross income, including pensions, disability compensation or retirement pay, or any*
21 *combination of such payments from the United States Government on account of such service, of not*
22 *more than 185 percent of federal poverty guidelines.*]

23 [*(c) The surviving spouse remaining unmarried of a veteran, but the exemption shall apply only to*
24 *the period preceding the date of the first remarriage of the surviving spouse.*]

25 (c) **The surviving spouse of a veteran.**

26 (3) Upon compliance with ORS 307.260, there shall be exempt from taxation not to exceed
27 [*\$18,000*] **\$65,000** of the assessed value of the homestead or personal property of any of the following

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 residents of this state:

2 (a) Any veteran who is officially certified by the United States Department of Veterans Affairs
3 or any branch of the Armed Forces of the United States as having service-connected disabilities of
4 **at least 40 percent [or more] but less than 100 percent.**

5 (b) The surviving spouse [*remaining unmarried*] of a veteran **described in paragraph (a) of this**
6 **subsection**, if the veteran died as a result of service-connected injury or illness or if the veteran
7 received at least one year of the maximum exemption from taxation [*allowed*] **granted** under [*para-*
8 *graph (a) of*] this subsection after 1981 for a veteran certified as having service-connected disabilities
9 of **at least 40 percent [or more] but less than 100 percent.**

10 (4) **Upon compliance with ORS 307.260, there shall be exempt from taxation not to exceed**
11 **\$150,000 of the assessed value of the homestead or personal property of any of the following**
12 **residents of this state:**

13 (a) Any veteran who is officially certified by the United States Department of Veterans
14 Affairs or any branch of the Armed Forces of the United States as having:

15 (A) A service-connected disability of 100 percent; or

16 (B) More than one service-connected disability, the ratings of which, if added together,
17 would equal 100 percent or more.

18 (b) The surviving spouse of a veteran described in paragraph (a) of this subsection, if the
19 veteran died as a result of service-connected injury or illness or if the veteran received at
20 least one year of the maximum exemption from taxation granted under this subsection after
21 **2022** for a veteran certified as having service-connected disabilities described in this sub-
22 **section.**

23 [(4)] (5) The amount of the exemption [*allowed*] **granted** under subsection (2), [*or*] (3) or (4) of
24 this section shall equal 103 percent of the amount of the exemption for the prior tax year.

25 (6)(a) **The homestead or personal property of any residents of this state described in**
26 **paragraph (b) of this subsection shall be exempt from taxation under paragraph (c) of this**
27 **subsection.**

28 (b) The residents referred to in paragraph (a) of this subsection are:

29 (A) Any veteran who:

30 (i) Is officially certified by the United States Department of Veterans Affairs or any
31 branch of the Armed Forces of the United States as having a service-connected disability of
32 **100 percent** or as having more than one service-connected disability, the ratings of which, if
33 added together, would equal 100 percent or more; and

34 (ii) Meets the criteria of the United States Department of Veterans Affairs for
35 **unemployability.**

36 (B) The surviving spouse of a veteran, if the veteran died as a result of service-connected
37 injury or illness or if the veteran received at least one year of the maximum exemption from
38 taxation under paragraph (c) this subsection after 2022 for a veteran certified as having
39 service-connected disabilities described in subparagraph (A) of this paragraph.

40 (c) If the property taxes assessed on the homestead or personal property of a resident
41 described in paragraph (b) of this subsection for the current property tax year exceeds 14
42 percent of the resident's taxable income for the preceding tax year, upon compliance with
43 ORS 307.260, the property shall be 90 percent exempt for the next succeeding property tax
44 year.

45 (d) The individual claiming the exemption under this subsection must include the

1 individual's income tax return for the preceding tax year.

2 (7)(a) The county assessor shall compute and list the value and compute and list the
3 amount of property taxes that would have been charged on each property receiving an ex-
4 emption under subsection (4) or (6) of this section had the property not received an ex-
5 emption. On or before October 15, the county assessor shall certify the total amounts so
6 computed for each county to the Department of Veterans' Affairs and to the county treas-
7 urer.

8 (b) Not later than November 15, the department shall pay to each county treasurer the
9 amount certified under paragraph (a) of this subsection, less any discount provided under
10 ORS 311.505.

11 (c) Payments made by the department to the county treasurers under this subsection
12 shall be distributed to the taxing districts of the county in accordance with the schedule of
13 percentages computed under ORS 311.390.

14 (8) An exemption granted under this section to the property of a surviving spouse of a
15 veteran applies solely to the period preceding the date of the first remarriage of the surviv-
16 ing spouse of a veteran and ends on the date of remarriage.

17 **SECTION 2.** ORS 307.260 is amended to read:

18 307.260. (1)(a) Each veteran or surviving spouse of a veteran [*qualifying for*] seeking the ex-
19 emption under ORS 307.250 [*shall*] **must** file with the county assessor, on forms supplied by the
20 assessor, a claim [*therefor*] for exemption in writing on or before April 1 of the assessment year for
21 which the exemption is claimed, except that when the property designated is acquired after March
22 1 but prior to July 1 the claim [*shall*] **must** be filed within 30 days after the date of acquisition.

23 (b) A claim [*need not be filed under this section in order to be allowed*] for the exemption de-
24 scribed in ORS 307.250 **is not required** if:

25 (A) The homestead or personal property of the veteran or surviving spouse of a veteran was
26 [*allowed*] **granted** the exemption under ORS 307.250 for the preceding tax year;

27 (B) The individual claiming the exemption is a veteran described in ORS 307.250 (2)(a), [*or*] (3)(a)
28 or (4)(a) or a surviving spouse of a veteran who meets the requirements of ORS 307.250 (2)(c),
29 [*or*] (3)(b) or (4)(b) or has complied with subsection (4) of this section; and

30 (C) As of the filing date for the current tax year, the ownership and use of the homestead or
31 personal property and all other [*qualifying*] conditions of eligibility for the homestead or personal
32 property to be [*allowed*] **granted** the exemption remain unchanged.

33 (c)(A) If the individual claiming the exemption is a veteran described in ORS 307.250 (2)(b), the
34 claimant [*shall*] **must** file a claim annually that satisfies the requirements of subsection (2) of this
35 section on or before the date required in paragraph (a) of this subsection.

36 (B) If the county assessor has not received a claim filed under this paragraph on or before April
37 1 of the current year, not later than April 10 of each year, the county assessor shall notify the
38 veteran in the county who [*secured*] **was granted** an exemption under ORS 307.250 (2)(b) in the
39 preceding year but who did not [*make application therefor*] **file a claim for the exemption** on or
40 before April 1 of the current year. The county assessor may provide the notification on an unsealed
41 postal card. A veteran so notified may [*secure*] **be granted** the exemption, if still [*qualified*]
42 **eligible**, by [*making application therefor to*] **filing a claim for the exemption with** the county
43 assessor not later than May 1 of the current year, accompanied by a late-filing fee of \$10, which
44 shall be deposited in the general fund of the county for general governmental expenses. If the claim
45 for any tax year is not filed within the time specified, the exemption may not be [*allowed*] **granted**

1 on the assessment roll for that year.

2 (2)(a) *[The claim shall]* **A claim filed under this section must** set out the basis of the claim
 3 and designate the property to which the exemption may apply. Except as provided in subsection (3)
 4 of this section, **there must be affixed to** claims for *[exemptions]* **exemption** under ORS 307.250
 5 (2)(a), *[and]* (3)(a) **and (4)(a)** *[shall have affixed thereto]* the certificate last issued by United States
 6 Department of Veterans Affairs or the branch of the Armed Forces of the United States, as *[the case*
 7 *may be]* **applicable**, but dated within three years prior to the date of the claim for exemption, cer-
 8 tifying the rate of disability of the claimant.

9 (b) **Except as provided in subsection (3) of this section, there must be affixed to** claims for
 10 exemption under ORS 307.250 (2)(b) *[shall, except as provided in subsection (3) of this section, have*
 11 *affixed thereto, in addition to]* the certificate last issued by a licensed physician or naturopathic
 12 physician and dated within one year prior to the date of the claim for exemption, certifying the rate
 13 of disability of the claimant¹, *a statement by the claimant under oath or affirmation setting forth the*
 14 *total gross income received by the claimant from all sources during the last calendar year*].

15 (c) There **must** also *[shall]* be affixed to each claim the affidavit or affirmation of the claimant
 16 that the statements contained *[therein]* **in the claim** are true.

17 (3) The provisions of subsection (2) of this section that require a veteran to affix to the claim
 18 certificates of the United States Department of Veterans Affairs, a branch of the Armed Forces of
 19 the United States or a licensed physician or naturopathic physician do not apply to a veteran who
 20 has filed the required certificate after attaining the age of 65 years or to a veteran who has filed,
 21 on or after September 27, 1987, a certificate certifying a disability rating that, under federal law, is
 22 permanent and cannot be changed.

23 (4)(a) Notwithstanding subsection (1) of this section, a surviving spouse **of a veteran may elect,**
 24 **at any time during the tax year,** *[file a claim for the]* **to continue an** exemption under ORS
 25 307.250 *[at any time during the tax year]* **without filing a new claim** if:

26 (A) The veteran died during the previous tax year; or

27 (B) The property designated as the homestead was acquired after March 1 but prior to July 1
 28 of the assessment year and the veteran died within 30 days of the date the property was acquired.

29 **(b) The surviving spouse of a veteran must notify the county assessor of the election.**

30 *[(b)]* (c) *[The claim shall be allowed by the county assessor]* **Upon receipt of the notice, the**
 31 **county assessor shall continue the exemption** if the surviving spouse **of a veteran** meets all of
 32 the *[qualifications for an]* **eligibility requirements for the** exemption under ORS 307.250 other than
 33 the timely filing of a claim under subsection (1) of this section.

34 *[(c)]* (d) If taxes on the exempt value have been paid, the taxes shall be refunded in the manner
 35 prescribed in paragraph (d) of this subsection. If taxes on the exempt value have not been paid, the
 36 taxes and any interest *[thereon shall be]* **are** abated.

37 *[(d)]* (e) The tax collector shall notify the governing body of the county of any refund required
 38 under this section and the governing body shall cause a refund of the taxes and any interest paid
 39 to be made from the unsegregated tax collections account described in ORS 311.385. The refund
 40 under this subsection shall be made without interest. The county assessor and tax collector shall
 41 make the necessary corrections in the records of their offices.

42 **SECTION 3.** ORS 307.270 is amended to read:

43 307.270. (1) The exemption under ORS 307.250 applies to property *[a]* **that an eligible** veteran
 44 or surviving spouse **of a veteran** owns or has in possession under a recorded contract of purchase.

45 **(2)** The exemption first applies to the homestead of the veteran or surviving spouse **of a veteran**

1 and then to the personal property of the veteran or surviving spouse **of a veteran**.

2 (3) Property of the spouse of [*the*] a veteran is deemed the homestead of the veteran if the vet-
3 eran and the spouse of the veteran are living together and occupying the property as their home-
4 stead.

5 (4) When a veteran or surviving spouse **of a veteran** applies for exemption on properties in two
6 or more counties, the total amount of the exemption allowed in all counties may not exceed the
7 maximum amount of exemption under ORS 307.250.

8 [(2)] (5) For each [*qualified*] **eligible** veteran or surviving spouse **of a veteran**, only one valid
9 and allowable claim for an exemption on a homestead [*shall*] **may** be permitted in any one assess-
10 ment year.

11 **SECTION 4. The amendments to ORS 307.250, 307.260 and 307.270 by sections 1 to 3 of this**
12 **2023 Act apply to property tax years beginning on or after July 1, 2024.**

13 **SECTION 5. This 2023 Act takes effect on the 91st day after the date on which the 2023**
14 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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