

Senate Bill 712

Sponsored by Senator GORSEK (Presession filed.)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would increase the maximum value of property for each tax year by three percent. (Flesch Readability Score: 68.9).

Provides for an annual increase of three percent in the maximum assessed value of property.
Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to maximum assessed value; creating new provisions; amending ORS 307.032, 308.146,
3 308.707, 308A.107, 308A.256, 308A.315, 321.354, 321.722, 321.833 and 358.505 and section 4, chap-
4 ter 96, Oregon Laws 2016, and section 1, chapter 94, Oregon Laws 2024; and prescribing an ef-
5 fective date.

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

7 **SECTION 1.** ORS 308.146 is amended to read:

8 308.146. (1) The maximum assessed value of property equals 103 percent of the property's as-
9 sessed value from the prior year or [100] **103** percent of the property's maximum assessed value from
10 the prior year, whichever is greater.

11 (2) Except as provided in subsections (3) and (4) of this section, the assessed value of property
12 to which this section applies equals the lesser of:

13 (a) The property's maximum assessed value; or

14 (b) The property's real market value.

15 (3) Notwithstanding subsections (1) and (2) of this section, the maximum assessed value and as-
16 sessed value of property must be determined as provided in ORS 308.149 to 308.166 if:

17 (a) The property is new property or new improvements to property;

18 (b) The property is partitioned or subdivided;

19 (c) The property is rezoned and used consistently with the rezoning;

20 (d) The property is first taken into account as omitted property;

21 (e) The property becomes disqualified from exemption, partial exemption or special assessment;

22 or

23 (f) A lot line adjustment is made with respect to the property, except that the total assessed
24 value of all property affected by a lot line adjustment may not exceed the total maximum assessed
25 value of the affected property under subsection (1) of this section.

26 (4) Notwithstanding subsections (1) and (2) of this section, if property is subject to partial ex-
27 emption or special assessment, the property's maximum assessed value and assessed value must be
28 determined as provided under the provisions of law governing the partial exemption or special as-
29 sessment.

30 (5)(a) Notwithstanding subsection (1) of this section, when a portion of property is destroyed or

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 damaged due to fire or act of God, for the year in which the destruction or damage is reflected by
2 a reduction in real market value, the maximum assessed value of the property must be reduced to
3 reflect the loss from fire or act of God.

4 (b) This subsection does not apply:

5 (A) To any property that is assessed under ORS 308.505 to 308.674.

6 (B) If the damaged or destroyed property is property that, when added to the assessment and
7 tax roll, constituted minor construction for which no adjustment to maximum assessed value was
8 made.

9 (c) As used in this subsection, "minor construction" has the meaning given that term in ORS
10 308.149.

11 (6)(a) If, during the period beginning on January 1 and ending on July 1 of an assessment year,
12 any real or personal property is destroyed or damaged, the owner or purchaser under a recorded
13 instrument of sale in the case of real property, or the person assessed, person in possession or owner
14 in the case of personal property, may apply to the county assessor to have the real market value
15 and assessed value of the property determined as of July 1 of the current assessment year.

16 (b) The person described in paragraph (a) of this subsection must file the application for as-
17 sessment under this section with the county assessor on or before the later of:

18 (A) August 1 of the current year; or

19 (B) The 60th day following the date on which the property was damaged or destroyed.

20 (c) Notwithstanding paragraph (b) of this subsection, an application may be filed under this
21 subsection on or before December 31 of the current assessment year, if the application is accompa-
22 nied by a late filing fee of the greater of \$200 or one-tenth of one percent of the real market value
23 as of the most recent assessment date of the property to which the application relates. The county
24 assessor shall deposit a late filing fee collected under this paragraph in the county general fund.

25 (d) If the conditions described in this subsection are applicable to the property, then
26 notwithstanding ORS 308.210, the property must be assessed as of July 1, at 1:00 a.m. of the as-
27 sessment year, in the manner otherwise provided by law.

28 (7)(a) Paragraph (b) of this subsection applies if:

29 (A) A conservation easement or highway scenic preservation easement is in effect on the as-
30 sessment date;

31 (B) The tax year is the first tax year in which the conservation easement or highway scenic
32 preservation easement is taken into account in determining the property's assessed value; and

33 (C) A report has been issued by the county assessor under ORS 271.729 within 12 months pre-
34 ceding or following the date the easement was recorded.

35 (b) The assessed value of the property must be as determined in the report issued under ORS
36 271.729, but may be further adjusted by changes in value as a result of any of the factors described
37 in ORS 309.115 (2), to the extent adjustments do not cause the assessed value of the property to
38 exceed the property's maximum assessed value.

39 (8)(a) Notwithstanding subsection (1) of this section, when a building is demolished or removed
40 from property, for the year in which the demolition or removal of the building is reflected by a re-
41 duction in real market value, the maximum assessed value of the property may be reduced to reflect
42 the demolition or removal of the building.

43 (b) This subsection does not apply:

44 (A) To any property that is assessed under ORS 308.505 to 308.674.

45 (B) If the demolished or removed property is property that, when added to the assessment and

1 tax roll, constituted minor construction for which no adjustment to maximum assessed value was
2 made.

3 (c) To receive the reduction in maximum assessed value of the property under this subsection,
4 the property owner must file an application with the county assessor after the demolition or removal
5 and on or before December 31 following the assessment date if the demolition or removal occurred:

6 (A) Before the January 1 assessment date; or

7 (B) During the period beginning January 1 and ending on the July 1 assessment date if the
8 property owner has applied to have the real market value and assessed value of the property de-
9 termined under subsection (6) of this section.

10 (d) As used in this subsection:

11 (A) "Minor construction" has the meaning given that term in ORS 308.149.

12 (B) "Property owner" means an owner or purchaser under a recorded instrument of sale in the
13 case of real property, or the person assessed, person in possession or owner in the case of personal
14 property.

15 **SECTION 2.** ORS 307.032 is amended to read:

16 307.032. (1) Unless determined under a provision of law governing the partial exemption that
17 applies to the property, the maximum assessed value and assessed value of partially exempt property
18 shall be determined as follows:

19 (a) The maximum assessed value:

20 (A) For the first tax year in which the property is partially exempt, shall equal the real market
21 value of the property, reduced by the value of the partial exemption, multiplied by the ratio, not
22 greater than 1.00, of the average maximum assessed value over the average real market value for
23 the tax year of property in the same area and property class.

24 (B) For each tax year after the first tax year in which the property is subject to the same partial
25 exemption, shall equal 103 percent of the property's assessed value for the prior year or [100] **103**
26 percent of the property's maximum assessed value under this paragraph from the prior year,
27 whichever is greater.

28 (b) The assessed value of the property shall equal the lesser of:

29 (A) The real market value of the property reduced by the partial exemption; or

30 (B) The maximum assessed value of the property under paragraph (a) of this subsection.

31 (2) Unless determined under a provision of law governing the special assessment, the maximum
32 assessed value subject to special assessment and the assessed value of property subject to special
33 assessment shall be determined as follows:

34 (a) The maximum assessed value:

35 (A) For the first tax year in which the property is specially assessed, shall equal the specially
36 assessed value of the property multiplied by the ratio, not greater than 1.00, of the average maxi-
37 mum assessed value over the average real market value for the tax year of property in the same
38 area and property class.

39 (B) For each tax year after the first tax year in which property is subject to the same special
40 assessment, shall equal 103 percent of the property's assessed value for the prior year or [100] **103**
41 percent of the property's maximum assessed value subject to special assessment from the prior year,
42 whichever is greater.

43 (b) The assessed value of the property shall equal the lesser of:

44 (A) The specially assessed value of the property as determined under the law establishing the
45 special assessment; or

1 (B) The property’s maximum assessed value subject to special assessment as determined under
 2 paragraph (a) of this subsection.

3 (3) As used in this section, “area” and “property class” have the meanings given those terms in
 4 ORS 308.149.

5 **SECTION 3.** ORS 308.707 is amended to read:

6 308.707. (1) The specially assessed value, maximum assessed value and assessed value of multi-
 7 unit rental housing shall be determined under this section if:

8 (a) The property is subject to a government restriction on use; and

9 (b) The owner of the property has filed an application for special assessment under ORS 308.709
 10 and that application has been approved.

11 (2) The specially assessed value of property assessed under this section shall be determined in
 12 the manner elected by the property owner under ORS 308.712.

13 (3)(a) For the first tax year for which property is assessed under this section, the maximum as-
 14 sessed value of property subject to special assessment under this section shall equal the product of
 15 the specially assessed value of the property under subsection (2) of this section multiplied by the
 16 ratio, not greater than 1.00, of the average maximum assessed value to the average real market
 17 value of property in the same area and property class as the specially assessed property.

18 (b) For each tax year after the first tax year in which the property is assessed under this section
 19 and prior to any disqualification from special assessment, the maximum assessed value of property
 20 assessed under this section shall equal 103 percent of the property’s assessed value from the prior
 21 year or [100] **103** percent of the property’s maximum assessed value from the prior year, whichever
 22 is greater.

23 (c) If omitted property is added to the property assessed under this section or a lot line adjust-
 24 ment is made to property assessed under this section, the maximum assessed value of property sub-
 25 ject to special assessment under this section shall be determined as prescribed in ORS 308.149 to
 26 308.166, substituting the specially assessed value under subsection (2) of this section for real market
 27 value.

28 (4) The assessed value of property subject to special assessment under this section shall equal
 29 the lowest of:

30 (a) The specially assessed value of the property determined under subsection (2) of this section;

31 (b) The maximum assessed value of the property determined under subsection (3) of this section;

32 or

33 (c) The real market value of the property.

34 (5) For each tax year following the first tax year in which property is subject to special as-
 35 sessment under this section, the owner of the multiunit rental housing must comply with any re-
 36 quirements prescribed by the Department of Revenue by rule for the continued special assessment
 37 of the property under this section.

38 (6) The definitions in ORS 308.149 apply to this section.

39 **SECTION 4.** ORS 308A.107 is amended to read:

40 308A.107. (1) The value for farm use, maximum assessed value and assessed value shall be de-
 41 termined under this section for both:

42 (a) Exclusive farm use zone farmland that qualifies for special assessment under ORS 308A.062;
 43 and

44 (b) Nonexclusive farm use zone farmland that qualifies for special assessment under ORS
 45 308A.068.

1 (2) The value for farm use for each property subject to special assessment under this section
2 shall equal the applicable value derived from the tables created pursuant to ORS 308A.092 for the
3 tax year multiplied by the acreage of the property within the applicable class and area.

4 (3)(a) The maximum assessed value for property subject to special assessment under this section
5 shall be determined as provided in this subsection.

6 (b) The county assessor shall develop tables for each tax year that provide, for each class and
7 area, a maximum assessed value per acre that is equal to 103 percent of the assessed value per acre
8 for the preceding tax year or [100] 103 percent of the maximum assessed value per acre for the
9 preceding tax year, whichever is greater.

10 (4) Property subject to special assessment under this section shall have an assessed value for
11 the tax year equal to the acreage of the property that is within the same class and area multiplied
12 by the lesser of the value per acre applicable to the property under subsection (2) of this section
13 or under subsection (3) of this section.

14 (5) If property subject to special assessment under this section consists of different classes, the
15 assessed value of the property shall be the sum of the assessed values computed for each applicable
16 class under subsection (4) of this section.

17 (6) Property that newly qualifies for farm use special assessment shall, for the first tax year for
18 which the special assessment applies, have:

19 (a) A value for farm use as determined under subsection (2) of this section;

20 (b) A maximum assessed value as determined under the tables developed under subsection (3)
21 of this section; and

22 (c) An assessed value as determined under subsections (4) and (5) of this section.

23 **SECTION 5.** ORS 308A.256 is amended to read:

24 308A.256. (1) The maximum assessed value and assessed value of a homesite shall be determined
25 as provided in this section.

26 (2) A homesite shall have an assessed value for ad valorem property tax purposes for the tax
27 year equal to the lesser of the homesite's maximum assessed value or homesite value.

28 (3) The homesite value for purposes of ORS 308A.250 to 308A.259 shall equal the real market
29 value of the bare land of the total parcel and contiguous acres under same ownership, as determined
30 under ORS 308.205, divided by the number of acres in the total parcel and contiguous acres under
31 the same ownership, plus the lesser of:

32 (a) \$4,000; or

33 (b) The depreciated replacement cost of land improvements necessary to establish the homesite.

34 (4) For the purposes of establishing a homesite value, the value of one acre of land for each
35 homesite, as determined in subsection (3) of this section shall be used.

36 (5) The homesite's maximum assessed value shall equal 103 percent of the homesite's assessed
37 value for the previous tax year or [100] 103 percent of the homesite's maximum assessed value for
38 the previous tax year, whichever is greater.

39 (6) For the first tax year for which property constitutes a homesite under this section, the
40 homesite's maximum assessed value shall equal the homesite's value as determined under subsection
41 (3) of this section multiplied by the ratio of average maximum assessed value to real market value
42 of the residential property class in the county.

43 **SECTION 6.** ORS 308A.315 is amended to read:

44 308A.315. (1) The maximum assessed value and assessed value of land classified as open space
45 land under ORS 308A.300 to 308A.330 shall be determined as provided in this section.

1 (2) Land classified as open space land shall have an assessed value for the tax year equal to the
2 lesser of the land's maximum assessed value or the land's open space value determined under sub-
3 section (5) of this section.

4 (3) The land's maximum assessed value shall equal 103 percent of the land's assessed value for
5 the previous tax year or [100] **103** percent of the land's maximum assessed value for the previous tax
6 year, whichever is greater.

7 (4)(a) For the first tax year for which the land is classified as open space land, the land shall
8 have a maximum assessed value equal to the land's open space value determined under subsection
9 (5) of this section multiplied by the ratio of the total maximum assessed value of all open space land
10 within the county over the total open space value of all open space land in the county.

11 (b) If there is an insufficient amount of land classified as open space land in a county to permit
12 a statistically reliable ratio to be determined under paragraph (a) of this subsection, the statewide
13 totals of maximum assessed value of open space land and open space value shall be used in deter-
14 mining the ratio.

15 (c) The Department of Revenue shall prescribe rules setting forth the minimum amount of open
16 space land in a county needed to establish a statistically reliable ratio.

17 (5) The open space value of land classified as such under ORS 308A.300 to 308A.330 shall be the
18 land's real market value under ORS 308.205:

19 (a) Assuming the highest and best use of the land to be the current open space use, such as
20 park, sanctuary or golf course. The assessor shall not consider alternative uses to which the land
21 might be put.

22 (b) Valuing the improvements on the land, if any, as required by ORS 308.205.

23 **SECTION 7.** ORS 321.354 is amended to read:

24 321.354. (1)(a) The Department of Revenue shall identify the forestland that is held in common
25 ownership of 5,000 acres or more as of the assessment date for each tax year.

26 (b) Forestland that the department has identified under paragraph (a) of this subsection that, for
27 the previous tax year, was subject to small tract forestland assessment shall be disqualified from
28 small tract forestland assessment and shall be subject to special assessment as provided in this
29 section as of the first tax year the forestland is held in common ownership of 5,000 acres or more.

30 (c) For purposes of this subsection, "forestland" includes land that meets the definition of
31 forestland under ORS 321.805.

32 (2) Forestland assessed under this section shall have a specially assessed value per acre equal
33 to the value certified to the county assessor for the tax year under ORS 321.216 for the applicable
34 land class of the forestland.

35 (3) For each land class described in ORS 321.210, the forestland maximum assessed value per
36 acre shall equal 103 percent of the forestland assessed value per acre for the preceding tax year or
37 [100] **103** percent of the forestland maximum assessed value per acre for the preceding tax year,
38 whichever is greater.

39 (4)(a) The assessor shall compute the assessed value of forestland by multiplying the acreage of
40 the forestland in each land class by the lesser of:

41 (A) The specially assessed value per acre; or

42 (B) The maximum assessed value per acre.

43 (b) If the forestland being assessed consists of different land classes, the assessed value of the
44 forestland shall be the sum of the assessed values computed for each land class under paragraph (a)
45 of this subsection.

1 (5) Notwithstanding subsection (4) of this section, the forestland shall be assessed as provided
2 in ORS 308.232 if the real market value of the forestland is less than the value established under
3 subsection (4) of this section.

4 (6) For purposes of this section:

5 (a) The department shall certify to the county assessor of a county in which forestland identified
6 in subsection (1) of this section is located a list of the property tax accounts containing forestland
7 so identified.

8 (b) Forestland shall be considered to be in common ownership if the forestland is owned by the
9 person directly or is owned by a corporation, partnership, association or other entity in which the
10 person owns a majority interest.

11 (c) Additional taxes may not be imposed as a result of a disqualification under subsection (1)
12 of this section.

13 (d) The notification requirements and other procedures that the county assessor must follow in
14 disqualifying forestland do not apply to a disqualification occurring under subsection (1) of this
15 section.

16 (e) The department shall notify the county assessor of forestland identified under subsection
17 (1)(a) of this section that is located in that county.

18 **SECTION 8.** ORS 321.722 is amended to read:

19 321.722. (1) Small tract forestland shall have a specially assessed value per acre:

20 (a) Equal to 20 percent of the specially assessed value per acre determined under ORS 321.354,
21 if located in western Oregon; or

22 (b) Equal to 20 percent of the specially assessed value per acre determined under ORS 321.833,
23 if located in eastern Oregon.

24 (2) For each land class, the maximum assessed value per acre of small tract forestland shall
25 equal 103 percent of the small tract forestland assessed value per acre for the preceding tax year
26 or [100] **103** percent of the small tract forestland maximum assessed value per acre for the preceding
27 tax year, whichever is greater.

28 (3) The county assessor shall compute the assessed value of small tract forestland by multiplying
29 the acreage of the small tract forestland in each land class by the lesser of:

30 (a) The specially assessed value per acre; or

31 (b) The maximum assessed value per acre.

32 (4) If the small tract forestland being assessed consists of different land classes, the assessed
33 value of the small tract forestland shall be the sum of the assessed values computed for each land
34 class under subsection (3) of this section.

35 **SECTION 9.** ORS 321.833 is amended to read:

36 321.833. (1)(a) The Department of Revenue shall identify the forestland that is held in common
37 ownership of 5,000 acres or more as of the assessment date for each tax year.

38 (b) Forestland that the department has identified under paragraph (a) of this subsection that, for
39 the previous tax year, was subject to small tract forestland assessment shall be disqualified from any
40 small tract forestland assessment and shall be subject to special assessment as provided in this
41 section as of the first tax year the forestland is held in common ownership of 5,000 acres or more.

42 (c) For purposes of this subsection, "forestland" includes land that meets the definition of
43 forestland under ORS 321.257.

44 (2) Forestland assessed under this section shall have a specially assessed value per acre equal
45 to the value certified to the county assessor for the tax year under ORS 321.216.

1 (3) Forestland assessed under this section shall have a maximum assessed value per acre equal
2 to 103 percent of the forestland assessed value per acre for the preceding tax year or [100] 103
3 percent of the forestland maximum assessed value per acre for the preceding tax year, whichever
4 is greater.

5 (4)(a) The assessor shall compute the assessed value of forestland by multiplying the acreage of
6 the forestland by the lesser of:

7 (A) The specially assessed value per acre; or

8 (B) The maximum assessed value per acre.

9 (b) Notwithstanding paragraph (a) of this subsection, the forestland shall be assessed as provided
10 in ORS 308.232 if the real market value of the forestland is less than the value established under
11 paragraph (a) of this subsection.

12 (5) For purposes of this section:

13 (a) The department shall certify to the county assessor of a county in which forestland identified
14 in subsection (1) of this section is located a list of the property tax accounts containing forestland
15 so identified.

16 (b) Forestland shall be considered to be in common ownership if the forestland is owned by the
17 person directly or is owned by a corporation, partnership, association or other entity in which the
18 person owns a majority interest.

19 (c) Additional taxes may not be imposed as a result of a disqualification under subsection (1)
20 of this section.

21 (d) The notification requirements and other procedures that the county assessor must follow in
22 disqualifying forestland do not apply to a disqualification occurring under subsection (1) of this
23 section.

24 (e) The department shall notify the county assessor of forestland identified under subsection
25 (1)(a) of this section that is located in that county.

26 **SECTION 10.** ORS 358.505 is amended to read:

27 358.505. (1)(a) Except as provided in paragraphs (b) and (c) of this subsection, for property cer-
28 tified for special assessment as historic property under ORS 358.490, the county assessor shall for
29 10 consecutive tax years list on the assessment and tax roll a specially assessed value that equals
30 the real market value of the property at the time application was made under ORS 358.487.

31 (b) If the property certified for special assessment as historic property is a condominium unit
32 being assessed upon initial sale by the developer, the county assessor shall for the tax years of the
33 remaining term of historic property special assessment list on the assessment and tax roll a specially
34 assessed value that equals the real market value of the property for the tax year in which the initial
35 sale took place.

36 (c) For property certified under ORS 358.490 for a second term of special assessment as historic
37 property under ORS 358.540, the county assessor shall, for 10 consecutive tax years after the date
38 of the filing of the application under ORS 358.487 for the second term, list on the assessment and
39 tax roll a specially assessed value that equals the real market value of the property for the assess-
40 ment year in which the application is made.

41 (2)(a)(A) Notwithstanding ORS 308.149 (2), and except as provided in subparagraph (B) of this
42 paragraph, for the first tax year of an initial or second 10-year period of historic property special
43 assessment, the maximum assessed value of property subject to historic property special assessment
44 shall equal the specially assessed value of the property as determined under subsection (1) of this
45 section multiplied by the ratio, not greater than 1.00, of the maximum assessed value the property

1 would have had from the prior year if the property were not specially assessed over the real market
2 value of the property from the prior year.

3 (B) If the property was specially assessed or exempt in the prior year, for the first tax year of
4 an initial or second 10-year period of historic property special assessment, the maximum assessed
5 value of the property subject to historic property special assessment shall equal the specially as-
6 sessed value of the property multiplied by the ratio of the maximum assessed value the property
7 would have had if disqualified from the special assessment or exemption in the prior year over the
8 real market value of the property from the prior year.

9 (b) For each tax year after the first tax year during which the property is subject to special
10 assessment as historic property, the property's maximum assessed value equals 103 percent of the
11 property's assessed value from the prior year or [100] **103** percent of the property's maximum as-
12 sessed value from the prior year, whichever is greater.

13 (3) The assessed value of property that is classified as historic property for the tax year shall
14 equal the least of:

15 (a) The property's specially assessed value as determined under subsection (1) of this section;

16 (b) The property's maximum assessed value as determined under subsection (2) of this section;

17 or

18 (c) The property's real market value as of the assessment date for the tax year.

19 (4) The entitlement of property to the special assessment provisions of this section shall be de-
20 termined as of July 1. If the property becomes disqualified on or after July 1, its assessment for that
21 year shall continue as provided in this section.

22 (5) Assessed value, as defined and determined under ORS 308.146, shall be determined for prop-
23 erty classified as historic property by the county assessor each year. The assessed value so deter-
24 mined for any year shall be subject to appeal to the county property value appeals board within the
25 time and in the manner provided in ORS chapter 309 and shall be subject to appeal thereafter to the
26 Oregon Tax Court and to the Oregon Supreme Court within the time and in the manner provided
27 for appeals of value determination for purposes of ad valorem property taxation.

28 **SECTION 11.** Section 4, chapter 96, Oregon Laws 2016, is amended to read:

29 **Sec. 4.** (1)(a) For the first property tax year of the period for which special assessment is cer-
30 tified under section 2 [of this 2016 Act], **chapter 96, Oregon Laws 2016**, for land constituting a
31 brownfield, the county assessor shall list on the assessment and tax roll a specially assessed value
32 for the land that equals the real market value the land would have if it were not a brownfield less
33 the eligible costs determined under section 3 [of this 2016 Act], **chapter 96, Oregon Laws 2016**, and
34 apportioned to each tax account included in the application. The specially assessed value of the land
35 determined under this subsection shall be listed on the assessment and tax rolls for the number of
36 years certified for the land under section 2 [of this 2016 Act], **chapter 96, Oregon Laws 2016**.

37 (b) Notwithstanding paragraph (a) of this subsection, the specially assessed value of the land
38 may not be less than \$100 for any property tax year.

39 (2)(a) For the first property tax year for which the land is specially assessed, the maximum as-
40 sessed value of the land shall equal the specially assessed value of the land determined under sub-
41 section (1) of this section multiplied by the ratio, not greater than 1.00, of the average maximum
42 assessed value divided by the average real market value, as those terms are defined in ORS 308.149.

43 (b) For each property tax year after the first property tax year for which the land is specially
44 assessed, the maximum assessed value of the land shall equal the greater of 103 percent of the as-
45 sessed value of the land from the prior year or [100] **103** percent of the maximum assessed value of

1 the land from the prior year.

2 (3) For each property tax year for which the land is specially assessed, the assessed value of the
3 land shall equal the least of:

4 (a) The specially assessed value of the land as determined under subsection (1) of this section;

5 (b) The maximum assessed value of the land as determined under subsection (2) of this section;

6 or

7 (c) The real market value of the land as of the assessment date for the tax year.

8 (4) The entitlement of land to the special assessment provisions of this section shall be deter-
9 mined as of July 1. If the land becomes disqualified on or after July 1, the land shall be specially
10 assessed for the property tax year as provided in this section.

11 (5) Each year the county assessor shall add to the assessment and tax rolls of the county, with
12 respect to land specially assessed under this section, the notation "potential additional tax."

13 **SECTION 12.** Section 1, chapter 94, Oregon Laws 2024, is amended to read:

14 **Sec. 1.** (1) As used in this section:

15 (a) "Destroyed homestead" means a homestead that was destroyed by wildfire between Septem-
16 ber 1, 2020, and September 30, 2020, in a county included in the geographical area covered by a state
17 of emergency declared in response to the wildfire.

18 (b) "Eligible property" means a rebuilt homestead to the extent that the total square footage
19 of the rebuilt homestead does not exceed the total square footage of the destroyed homestead that
20 the rebuilt homestead replaces.

21 (c) "Homestead" has the meaning given that term in ORS 311.666.

22 (d) "Rebuilt homestead" means a homestead that is constructed to replace a destroyed home-
23 stead by the same owner on the same lot.

24 (2)(a) The governing body of a county may elect by ordinance or resolution to allow eligible
25 property to be assessed and taxed in accordance with this section.

26 (b) The ordinance or resolution may:

27 (A) Prescribe the methods by which the assessor administers this section, including, but not
28 limited to, how claims are made; and

29 (B) Impose a fee on the owner of the rebuilt homestead for the actual cost to the county of re-
30 cording the notice under subsection (8)(b) of this section.

31 (3)(a) Eligible property may be granted a specially assessed value that equals the real market
32 value of the destroyed homestead as shown on the tax statement delivered pursuant to ORS 311.250
33 for the property tax year that began on July 1, 2020.

34 (b) For the first property tax year for which eligible property is assessed under this section, the
35 eligible property's maximum specially assessed value shall equal the product of the specially as-
36 sessed value multiplied by the ratio, not greater than 1.00, of the maximum assessed value the eli-
37 gible property would have had for the applicable property tax year if it were not specially assessed
38 to the real market value of the eligible property for the applicable property tax year.

39 (c) For each year after the first property tax year for which the eligible property is specially
40 assessed under this section and before disqualification from the specially assessed value, the maxi-
41 mum specially assessed value shall equal the greater of 103 percent of the eligible property's as-
42 sessed value from the prior property tax year or [100] **103** percent of the eligible property's
43 maximum specially assessed value from the prior property tax year.

44 (d) Property within the same property tax account that is not eligible property shall be assessed
45 and taxed as other property similarly situated is assessed and taxed.

1 (e) For purposes of this section, square footage shall be determined by the assessor of the county
2 in which the rebuilt homestead is located.

3 (4) The assessed value of the eligible property for any property tax year during which the eli-
4 gible property is granted a specially assessed value under this section shall be the least of:

5 (a) The eligible property's maximum specially assessed value as determined under subsection (3)
6 of this section;

7 (b) The eligible property's real market value; or

8 (c) The eligible property's specially assessed value as determined under subsection (3) of this
9 section.

10 (5) A specially assessed value may be claimed for property tax years beginning on or after July
11 1, 2021.

12 (6) A claim for a specially assessed value for property under this section must:

13 (a) Be in writing on a form supplied by the Department of Revenue;

14 (b) Describe both the destroyed homestead and the rebuilt homestead;

15 (c) Recite all facts establishing the eligibility of the rebuilt homestead for the specially assessed
16 value; and

17 (d) Have attached:

18 (A) Any information or documentation required by the department; and

19 (B) A written declaration by the applicant, subject to penalties for false swearing, that the
20 statements contained in the claim are true.

21 (7)(a)(A) A claim for an initial year of specially assessed value must be filed with the assessor
22 of the county in which the rebuilt homestead is located after January 1 and on or before April 1
23 immediately preceding the first property tax year for which the specially assessed value is claimed.

24 (B) Notwithstanding subparagraph (A) of this paragraph, a claim for an initial year of specially
25 assessed value for the property tax years beginning on July 1, 2021, July 1, 2022, July 1, 2023, or
26 July 1, 2024, must be filed no later than December 31, 2025.

27 (b) For each subsequent property tax year for which the specially assessed value is claimed, the
28 owner of the rebuilt homestead must file an attestation, under penalties for false swearing, that the
29 owner will continue to occupy the rebuilt homestead as the owner's principal dwelling for the en-
30 tirety of the property tax year.

31 (8)(a) If all or any part of the rebuilt homestead is determined to be eligible property, a timely
32 claim for the specially assessed value has the effect of requiring the county assessor to determine
33 the total amount of taxes due on the eligible property in accordance with this section until the
34 property tax year determined under subsection (9) of this section.

35 (b) Each year that eligible property is granted a specially assessed value under this section, the
36 county assessor shall enter on the assessment and tax roll that the eligible property is specially
37 assessed and is subject to potential additional taxes by adding the notation "potential additional
38 taxes."

39 (9) Eligible property shall be assessed and taxed as other property similarly situated is assessed
40 and taxed beginning with the property tax year that immediately succeeds the earliest of:

41 (a) The date on which the rebuilt homestead is no longer occupied by the owner as a homestead,
42 except when the owner is required to be absent by reason of health or active military service;

43 (b) The date on which the rebuilt homestead is rented to another person for any duration; or

44 (c) The date on which the rebuilt homestead is transferred to new ownership.

45 (10) If the grant of a specially assessed value under this section results in an overpayment of

1 taxes paid, the amount of the overpayment shall be refunded in the manner prescribed in ORS
 2 311.806.

3 (11) Any individual aggrieved by the denial of a claim for a specially assessed value under this
 4 section may appeal to the Oregon Tax Court in the manner provided under ORS 305.404 to 305.560.

5 (12) Property other than eligible property that is added to the property tax account of the re-
 6 built homestead during the period of specially assessed value shall be considered to be new property
 7 or new improvements to property under ORS 308.153 for the assessment year in which the added
 8 property is first taken into account.

9 (13) If the governing body of a county adopts an ordinance or resolution that amends or ends
 10 the specially assessed value in the county, eligible property that has been granted a specially as-
 11 sessed value under this section before the effective date of the ordinance or resolution shall con-
 12 tinue to receive the specially assessed value on the same terms in effect when the specially assessed
 13 value was first granted until a circumstance listed in subsection (9) of this section occurs.

14 (14) The specially assessed value available under this section is in addition to and not in lieu
 15 of any other property tax limit, exemption or partial exemption, special assessment or deferral.

16 (15) ORS 315.037 does not apply to this section.

17 **SECTION 13. The amendments to ORS 307.032, 308.146, 308.707, 308A.107, 308A.256,**
 18 **308A.315, 321.354, 321.722, 321.833 and 358.505 and section 4, chapter 96, Oregon Laws 2016, and**
 19 **section 1, chapter 94, Oregon Laws 2024, by sections 1 to 12 of this 2025 Act apply to property**
 20 **tax years beginning on or after July 1, 2026.**

21 **SECTION 14. This 2025 Act takes effect on the 91st day after the date on which the 2025**
 22 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

23