

SB 884 A STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/28

WHAT THE MEASURE DOES:

Expands and increases property tax exemption for certain veterans with disability or service-connected disability. Clarifies that surviving spouse of participating veteran need not reapply to continue receiving exemption and therefore will not have property's maximum assessed value recalculated when veteran dies. Directs Oregon Department of Veterans' Affairs to reimburse counties for exempt property taxes. Applies to property tax years beginning on or after July 1, 2024. Takes effect 91 days after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The property tax exemption for disabled veterans or surviving spouses of veterans became law in 1921. A veteran's surviving spouse who has not remarried qualifies for this exemption, even if the veteran had not been disabled. For tax year 2022-23, the exemption amount for disabled veterans is \$24,071. For veterans who have service-connected disabilities, the exemption amount is \$28,886. The exemption first applies to the homestead of the disabled veteran or surviving spouse of a veteran and then to the personal property of the disabled veteran or surviving spouse of a veteran. These amounts increase 3 percent each year. There are approximately 40,000 people that receive this assessed value exemption.

Oregon Constitution, Article XI, Section 11 requires that properties have their maximum assessed value recalculated when they enter and exit a property tax exemption.