

DRAFT

SUMMARY

Digest: The Act would create a property tax credit for the home of a person who is on active military duty. The Act would create a property tax credit for the home of a disabled veteran and the veteran's surviving spouse and extend it to a nonprofit home for the elderly in which they live. The Act would phase out both of the current partial exemption programs for such homes. (Flesch Readability Score: 62.1).

Provides for a property tax credit against the ad valorem taxes imposed on the homestead of a resident serving on active military duty. Provides for a property tax credit for the homesteads of disabled veterans and their surviving spouses, including when they reside in nonprofit homes for elderly persons. Phases out both of the current partial exemption programs for such homesteads.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax credits for service members; creating new pro-
3 visions; amending ORS 307.250, 307.260, 307.262, 307.270, 307.280, 307.370,
4 307.375, 307.380, 307.385, 308.215, 310.160, 310.165 and 311.812; repealing
5 ORS 307.283; and prescribing an effective date.

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

7 **SECTION 1. As used in sections 1 to 3 of this 2025 Act:**

8 **(1)(a) "Credit-eligible taxes" means ad valorem property taxes that**
9 **are:**

10 **(A) Operating taxes as defined in ORS 310.055; or**

11 **(B) Local option taxes as defined in ORS 310.202.**

12 **(b) "Credit-eligible taxes" does not mean ad valorem property taxes**
13 **that are levied to repay bonded indebtedness.**

1 (2) “Eligible homestead” means residential property that:

2 (a) Is owned by a resident of this state described in section 2 (1) of
3 this 2025 Act; and

4 (b) Would be occupied by the resident as a primary residence, but
5 for military service described in section 2 (1) of this 2025 Act.

6 **SECTION 2.** (1) A property tax credit is allowable for the homestead
7 of any resident of this state who is:

8 (a) Serving in the Oregon National Guard, military reserve forces
9 or organized militia of any other state or territory of the United
10 States; and

11 (b) Performing service:

12 (A) Under Title 10 of the United States Code or pursuant to a de-
13 ployment made under the authority of the Emergency Management
14 Assistance Compact; and

15 (B) For more than 178 consecutive days, if at least one of the days
16 falls within the property tax year for which the tax credit is claimed.

17 (2)(a) Upon compliance with section 3 of this 2025 Act, and regard-
18 less of any value assessed on the eligible homestead, a property tax
19 credit against the credit-eligible taxes otherwise due on an eligible
20 homestead shall be allowed for any property tax year in an amount
21 equal to the lesser of:

22 (A) The credit-eligible taxes due on the property; or

23 (B) \$1,750.

24 (b) The maximum amount of the property tax credit allowable un-
25 der paragraph (a) of this subsection shall be adjusted annually by the
26 percentage, if any, by which the monthly averaged Consumer Price
27 Index for All Urban Consumers, West Region (All Items), as published
28 by the Bureau of Labor Statistics of the United States Department of
29 Labor, for the 12 consecutive months ending August 31 of the property
30 tax year for which the credit is allowable exceeds the monthly aver-
31 aged index for the 12 consecutive months ending August 31, 2025.

1 **(3)(a) The amount of the property tax credit used against the**
2 **credit-eligible taxes imposed on an eligible homestead shall be with-**
3 **held from the taxing districts of the code area in which the eligible**
4 **homestead is located according to the percentage schedule prepared**
5 **and filed under ORS 311.390.**

6 **(b) The total amount of the property tax credit shall be allocated**
7 **proportionately among the credit-eligible taxes to which it relates.**

8 **(c) For any partial payments of credit-eligible taxes, the amount**
9 **of the property tax credit allowed against the payment shall be pro-**
10 **portional to the percentage of the total taxes due that are paid.**

11 **(d) No amount of property tax credit allowed for a property tax year**
12 **may be used for any succeeding property tax year.**

13 **(4)(a) A resident currently receiving the partial exemption against**
14 **a homestead's assessed value granted under ORS 307.286 may, for the**
15 **succeeding property tax year, file a claim for and receive instead the**
16 **property tax credit allowable under this section against the credit-**
17 **eligible taxes imposed on the homestead.**

18 **(b) A homestead may not receive both the partial exemption and**
19 **the property tax credit for any property tax year.**

20 **(5) It is the intent of the Legislative Assembly that a property tax**
21 **credit allowed under this section does not subject the eligible home-**
22 **stead to revaluation under Article XI, section 11 (1)(c)(E) or (2), of the**
23 **Oregon Constitution.**

24 **SECTION 3.** (1) **Each resident seeking the property tax credit al-**
25 **lowable under section 2 of this 2025 Act shall file with the county**
26 **assessor, on forms supplied by the assessor, a claim in writing on or**
27 **before August 1 following the end of the property tax year for which**
28 **the credit is claimed.**

29 **(2) A claim for the property tax credit under section 2 of this 2025**
30 **Act shall:**

31 **(a) Designate the eligible homestead to which the property tax**

1 **credit will apply;**

2 **(b) Set forth the basis for eligibility of the claimant and the home-**
3 **stead for the property tax credit; and**

4 **(c) Include a statement by the claimant, made subject to the pen-**
5 **alties for false swearing under ORS 162.075, that all information con-**
6 **tained in the claim is true.**

7 **(3) Notwithstanding subsection (1) of this section and section 2 (1)**
8 **of this 2025 Act, the eligible homestead of a resident described in sec-**
9 **tion 2 (1) of this 2025 Act who files a claim prior to the date on which**
10 **the resident's service begins shall be allowed the property tax credit**
11 **if the claimant has written orders that require the performance of**
12 **service for at least one day during the property tax year for which the**
13 **property tax credit is being claimed and the claimant and the home-**
14 **stead are otherwise eligible for the credit.**

15 **(4)(a) Notwithstanding subsection (1) of this section and section 2**
16 **(1) of this 2025 Act, an individual, other than the eligible resident, who**
17 **is lawfully occupying an eligible homestead may file a claim for the**
18 **property tax credit allowable under section 2 of this 2025 Act by the**
19 **time prescribed in subsection (1) of this section if the eligible resident**
20 **died while performing the service described in section 2 (1)(b)(A) of**
21 **this 2025 Act during the current or preceding tax year.**

22 **(b) The claim shall be allowed by the county assessor if the eligible**
23 **resident met all of the requirements for a property tax credit under**
24 **section 2 of this 2025 Act prior to death, other than the number of**
25 **consecutive days of service specified in section 2 (1)(b)(B) of this 2025**
26 **Act.**

27 **(5) The property tax credit shall be allowed for the property tax year**
28 **in which the claim is required to be filed.**

29 **(6) If the credit-eligible taxes for the property tax year for which**
30 **the property tax credit is allowed have not been paid, the amount of**
31 **the credit and any interest on the amount shall be abated.**

1 (7)(a) If the credit-eligible taxes for the property tax year for which
2 the property tax credit is allowed have been paid without allowance
3 of the credit, notwithstanding section 2 (3)(d) of this 2025 Act, the
4 amount of the credit allowed shall be refunded in the manner pre-
5 scribed in this subsection.

6 (b) The tax collector shall notify the governing body of the county
7 of any refund required under this subsection and the governing body
8 shall cause a refund of the credit-eligible taxes and any interest paid
9 on the taxes to be made from the unsegregated tax collections account
10 described in ORS 311.385.

11 (c) The refund shall be made without interest.

12 (d) Refund amounts shall be withheld from the taxing districts of
13 the code area in which the eligible homestead is located according to
14 the percentage schedule prepared and filed under ORS 311.390.

15 (e) The county assessor and tax collector shall make the necessary
16 corrections in the records of their offices.

17 **SECTION 4.** Property tax credits under sections 1 to 3 of this 2025
18 Act may be allowed against credit-eligible taxes due for property tax
19 years beginning on or after July 1, 2026.

20 **SECTION 5.** (1) Except as provided in ORS 307.289 (4), as in effect
21 immediately before the effective date of this 2025 Act, an initial year
22 of partial exemption under ORS 307.286 may not be granted for prop-
23 erty tax years beginning on or after July 1, 2026.

24 (2) Notwithstanding subsection (1) of this section, a homestead that
25 is granted a partial exemption for the property tax year beginning on
26 July 1, 2025, shall continue to receive the partial exemption for as long
27 as the resident and the homestead qualify for it under ORS 307.286, as
28 in effect immediately before the effective date of this 2025 Act.

29 **SECTION 6.** ORS 307.250 is amended to read:

30 307.250. (1) As used in [*this section and ORS 307.260, 307.262 and*
31 *307.270,*] **ORS 307.250 to 307.283:**

1 (a)(A) “Credit-eligible taxes” means ad valorem property taxes that
2 are:

3 (i) Operating taxes as defined in ORS 310.055; or

4 (ii) Local option taxes as defined in ORS 310.202.

5 (B) “Credit-eligible taxes” does not mean ad valorem property taxes
6 that are levied to repay bonded indebtedness.

7 (b) “Homestead” means the owner-occupied principal dwelling,
8 whether real or personal property, of a veteran described in subsection
9 (2) or (3) of this section or the surviving spouse of a veteran and the
10 tax lot upon which the dwelling is located.

11 (c) “Surviving spouse of a veteran” means a veteran’s surviving
12 spouse who has not remarried.

13 (d) “Veteran” has the meaning given that term in ORS 408.225.

14 (2)(a) Upon compliance with ORS 307.260, *[there shall be exempt from*
15 *taxation not to exceed \$15,000 of the assessed value of]* **and regardless of any**
16 **value assessed on the homestead, a property tax credit in an amount**
17 **determined under section 8 of this 2025 Act shall be allowed for the**
18 homestead *[or personal property]* of any of the following residents of this
19 state other than those described in subsection (3) of this section:

20 [(a)] (A) Any veteran who is officially certified by the United States De-
21 partment of Veterans Affairs or any branch of the Armed Forces of the
22 United States as having disabilities of 40 percent or more.

23 [(b)] (B) **In accordance with paragraph (b) of this subsection**, any
24 veteran having served with the United States Armed Forces who, as certified
25 by one duly licensed physician or naturopathic physician, is rated as having
26 disabilities of 40 percent or more.

27 (C) **The surviving spouse of a veteran described in this paragraph.**

28 (b) *[However,]* A veteran *[shall be entitled to the exemption granted under*
29 *this paragraph]* **described in paragraph (a)(B) of this subsection may**
30 **claim the property tax credit allowable under this section only if** *[the*
31 *veteran during the calendar year immediately preceding the assessment year*

1 *for which the exemption is claimed]* **for the last full income tax year pre-**
2 **ceding the property tax year for which the credit is claimed, the vet-**
3 **eran** had total gross income, including pensions, disability compensation or
4 retirement pay, or any combination of such payments from the United States
5 Government on account of such service, of not more than 185 percent of
6 federal poverty guidelines.

7 *[(c) The surviving spouse remaining unmarried of a veteran, but the ex-*
8 *emption shall apply only to the period preceding the date of the first remar-*
9 *riage of the surviving spouse.]*

10 (3) Upon compliance with ORS 307.260, *[there shall be exempt from taxa-*
11 *tion not to exceed \$18,000 of the assessed value of]* **a property tax credit in**
12 **an amount determined under section 8 of this 2025 Act is allowable for**
13 the homestead *[or personal property]* of any of the following residents of this
14 state:

15 (a) Any veteran who is officially certified by the United States Depart-
16 ment of Veterans Affairs or any branch of the Armed Forces of the United
17 States as having service-connected disabilities of 40 percent or more.

18 (b) The surviving spouse *[remaining unmarried]* of a veteran **described**
19 **in paragraph (a) of this subsection**, if the veteran died as a result of
20 service-connected injury or illness or if the veteran received at least one year
21 of the *[maximum exemption from taxation allowed under paragraph (a) of this*
22 *subsection after 1981]* **property tax credit allowable** for a veteran certified
23 as having service-connected disabilities of 40 percent or more.

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

27 (4) **A surviving spouse of a veteran is eligible to claim a property**
28 **tax credit under this section only for the period preceding the date of**
29 **the first remarriage of the surviving spouse of a veteran. The eligibil-**
30 **ity ends on the date of remarriage.**

31 **SECTION 7. Section 8 of this 2025 Act is added to and made a part**

1 of ORS 307.250 to 307.283.

2 **SECTION 8. (1) Upon compliance with ORS 307.260, and regardless**
3 **of any value assessed on the homestead, a property tax credit against**
4 **the credit-eligible taxes otherwise due on a homestead shall be allowed**
5 **for any property tax year in an amount equal to the lesser of:**

6 **(a) The credit-eligible taxes due on the homestead; or**

7 **(b)(A) For a property tax credit allowable under ORS 307.250 (2),**
8 **\$_____; or**

9 **(B) For a property tax credit allowable under ORS 307.250 (3),**
10 **\$_____.**

11 **(2) The maximum amount of the property tax credit allowable un-**
12 **der subsection (1)(b) of this section shall be adjusted annually by the**
13 **percentage, if any, by which the monthly averaged Consumer Price**
14 **Index for All Urban Consumers, West Region (All Items), as published**
15 **by the Bureau of Labor Statistics of the United States Department of**
16 **Labor, for the 12 consecutive months ending August 31 of the property**
17 **tax year for which the property tax credit is allowable exceeds the**
18 **monthly averaged index for the 12 consecutive months ending August**
19 **31, 2025.**

20 **(3) The property tax credit shall be allowed for the property tax year**
21 **in which the claim is required to be filed.**

22 **(4)(a) The amount of the property tax credit used against the**
23 **credit-eligible taxes imposed on a homestead shall be withheld from**
24 **the taxing districts of the code area in which the homestead is located**
25 **according to the percentage schedule prepared and filed under ORS**
26 **311.390.**

27 **(b) The total amount of the property tax credit shall be allocated**
28 **proportionately among the credit-eligible taxes to which it relates.**

29 **(c) For any partial payments of credit-eligible taxes, the amount**
30 **of the property tax credit allowed against the payment shall be pro-**
31 **portional to the percentage of the total taxes due that are paid.**

1 (d) No amount of property tax credit allowed for a property tax year
2 may be used for any succeeding property tax year.

3 (5)(a) A resident currently receiving the partial exemption against
4 a homestead's assessed value granted under ORS 307.286 may, for the
5 succeeding property tax year, file a claim for and receive instead the
6 tax credit allowed under this section against the credit-eligible taxes
7 imposed on the homestead.

8 (b) A homestead may not receive both the partial exemption and
9 the tax credit for any property tax year.

10 (6) If the credit-eligible taxes for the property tax year for which
11 the property tax credit is allowed have not been paid, the amount of
12 the credit and any interest on the amount shall be abated.

13 (7)(a) If the credit-eligible taxes for the property tax year for which
14 the property tax credit is allowed have been paid without allowance
15 of the credit, the amount of the credit allowed shall be refunded in the
16 manner prescribed in this subsection.

17 (b) The tax collector shall notify the governing body of the county
18 of any refund required under this subsection and the governing body
19 shall cause a refund in the amount of the property tax credit and any
20 interest paid on the amount to be made from the unsegregated tax
21 collections account described in ORS 311.385.

22 (c) The refund shall be made without interest.

23 (d) Refund amounts shall be withheld from the taxing districts of
24 the code area in which the eligible homestead is located according to
25 the percentage schedule prepared and filed under ORS 311.390.

26 (e) The county assessor and tax collector shall make the necessary
27 corrections in the records of their offices.

28 (8) It is the intent of the Legislative Assembly that a property tax
29 credit allowed under this section does not subject the homestead to
30 revaluation under Article XI, section 11 (1)(c)(E) or (2), of the Oregon
31 Constitution.

1 **SECTION 9.** ORS 307.260 is amended to read:

2 307.260. (1)(a) Each veteran or surviving spouse [*qualifying for the ex-*
3 *emption under ORS 307.250 shall*] **of a veteran seeking a property tax**
4 **credit allowable under ORS 307.250 must** file with the county assessor,
5 on forms supplied by the assessor, a claim [*therefor*] **for the credit** in writing
6 on or before April 1 of the assessment year for which the [*exemption*] **credit**
7 is claimed, except that when the [*property*] **homestead** designated is acquired
8 after March 1 but prior to July 1, the claim [*shall*] **must** be filed within 30
9 days after the date of acquisition.

10 (b) A claim [*need not be filed under this section in order to be allowed the*
11 *exemption described in*] **for the property tax credit allowable under ORS**
12 **307.250 is not required** if:

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

16 (B) The individual claiming the [*exemption*] **property tax credit** is a
17 veteran described in ORS 307.250 [(2)(a)] **(2)(a)(A)** or (3)(a) or a surviving
18 spouse **of a veteran** who meets the requirements of ORS 307.250 [(2)(c)]
19 **(2)(a)(C)** or (3)(b); and

20 (C) As of the filing date for the current tax year, the ownership and use
21 of the homestead [*or personal property*] and all other [*qualifying*] conditions
22 **of eligibility** for the homestead [*or personal property*] to be allowed the [*ex-*
23 *emption*] **property tax credit** remain unchanged.

24 (c)(A) If the [*individual claiming the exemption is a veteran described in*
25 *ORS 307.250 (2)(b), the claimant shall*] **veteran claiming the property tax**
26 **credit is described in ORS 307.250 (2)(a)(B), the veteran must** file a
27 claim annually that satisfies the requirements of subsection (2) of this sec-
28 tion on or before the date required in paragraph (a) of this subsection.

29 (B) If the county assessor has not received a claim filed under this para-
30 graph on or before April 1 of the current year, not later than April 10 of
31 each year, the county assessor shall notify the veteran in the county who

1 [secured an exemption] **was allowed a property tax credit** under ORS
2 307.250 [(2)(b)] **(2)(a)(B)** in the preceding year but who did not [make appli-
3 cation therefor] **file a claim for the credit** on or before April 1 of the cur-
4 rent year. The county assessor may provide the notification on an unsealed
5 postal card. A veteran so notified may [secure the exemption, if still qualified,
6 by making application therefor to] **be allowed the property tax credit, if**
7 **still eligible, by filing a claim for the property tax credit with** the
8 county assessor not later than May 1 of the current year, accompanied by
9 a late-filing fee of \$10, which shall be deposited in the general fund of the
10 county for general governmental expenses. If the claim for any tax year is
11 not filed within the time specified, the [exemption] **property tax credit** may
12 not be allowed on the assessment roll for that year.

13 [(2)(a) *The claim shall set out the basis of the claim and designate the*
14 *property to which the exemption may apply. Except as provided in subsection*
15 *(3) of this section, claims for exemptions under ORS 307.250 (2)(a) and (3)(a)*
16 *shall have affixed thereto the certificate last issued by United States Depart-*
17 *ment of Veterans Affairs or the branch of the Armed Forces of the United*
18 *States, as the case may be, but dated within three years prior to the date of*
19 *the claim for exemption, certifying the rate of disability of the claimant.*]

20 **(2)(a) A claim filed under this section must set out the basis of the**
21 **claim and designate the homestead to which the property tax credit**
22 **may apply. Except as provided in subsection (3) of this section, there**
23 **must be affixed to a claim for a property tax credit filed by a veteran**
24 **described in ORS 307.250 (2)(a)(A) or (3)(a) the certificate last issued**
25 **by the United States Department of Veterans Affairs or the branch**
26 **of the Armed Forces of the United States, as applicable, but dated**
27 **within three years prior to the date of the claim for the property tax**
28 **credit, certifying the rate of disability of the claimant.**

29 **(b) Except as provided in subsection (3) of this section, there must**
30 **be affixed to claims for [exemption] the property tax credit** under ORS
31 307.250 [(2)(b)] **(2)(a)(B)** [shall, except as provided in subsection (3) of this

1 *section, have affixed thereto, in addition to*] the certificate last issued by a
 2 licensed physician or naturopathic physician and dated within one year prior
 3 to the date of the claim for [*exemption*] **the property tax credit**, certifying
 4 the rate of disability of the claimant, a statement by the claimant, [*under*
 5 *oath or affirmation*] **made subject to the penalties for false swearing**
 6 **under ORS 162.075**, setting forth the total gross income received by the
 7 claimant from all sources during the last calendar year.

8 (c) There **must** also [*shall*] be affixed to each claim the affidavit or af-
 9 firmation of the claimant, **made subject to the penalties for false**
 10 **swearing under ORS 162.075**, that the statements contained [*therein*] **in the**
 11 **claim** are true.

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

19 (4)(a) Notwithstanding subsection (1) of this section, a surviving spouse
 20 **of a veteran** may elect, at any time during the tax year, to continue the
 21 [*exemption*] **property tax credit allowed** under ORS 307.250 without filing
 22 a new claim if:

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

24 (B) The [*property designated as the*] homestead was acquired after March
 25 1 but prior to July 1 of the assessment year and the veteran died within 30
 26 days of the date the property was acquired.

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

29 (c) Upon receipt of the notice, the county assessor shall continue the
 30 [*exemption*] **property tax credit** if the surviving spouse **of a veteran** meets
 31 all of the **applicable** eligibility requirements for [*an exemption*] **the credit**

1 under ORS 307.250 other than the timely filing of a claim under subsection
2 (1) of this section.

3 *[(d) If taxes on the exempt value have been paid, the taxes shall be refunded*
4 *in the manner prescribed in paragraph (d) of this subsection. If taxes on the*
5 *exempt value have not been paid, the taxes and any interest on the taxes are*
6 *abated.]*

7 **(d) If the amount of the property tax credit has been paid, the**
8 **amount shall be refunded in the manner prescribed in paragraph (e)**
9 **of this subsection. If the amount of the property tax credit has not**
10 **been paid, the amount and any interest on the amount are abated.**

11 (e) The tax collector shall notify the governing body of the county of any
12 refund required under this section and the governing body shall cause a re-
13 fund of the *[taxes]* **the amount of the property tax credit** and any interest
14 paid to be made from the unsegregated tax collections account described in
15 ORS 311.385. The refund under this subsection shall be made without inter-
16 est. The county assessor and tax collector shall make the necessary cor-
17 rections in the records of their offices.

18 **SECTION 10.** ORS 307.262 is amended to read:

19 307.262. (1) Notwithstanding ORS 307.260, if a veteran receives notice of
20 certification from the United States Department of Veterans Affairs or any
21 branch of the Armed Forces of the United States that the veteran has disa-
22 bilities of 40 percent or more as of a date set forth in the certification, the
23 veteran may *[obtain the exemption set forth in]* **claim the property tax**
24 **credit allowable under** ORS 307.250 for each tax year following the date
25 of certified disability.

26 (2) A veteran seeking *[to obtain an exemption]* **a property tax credit**
27 under ORS 307.250 pursuant to this section must file a claim *[for*
28 *exemption]* with the county assessor within six months of the date the federal
29 government agency notifies the veteran of the certified disability.

30 (3) Notwithstanding subsection (1) of this section, a veteran may not *[re-*
31 *ceive an exemption]* **claim a property tax credit** under ORS 307.250 for a tax

1 year that is more than three tax years prior to the tax year in which a claim
2 is filed under this section.

3 (4) If the county assessor determines that a veteran who has filed a claim
4 under this section meets the requirements of ORS 307.250 for a tax year prior
5 to the current tax year, property taxes collected [*on the exempt amount*] for
6 the prior tax year **in an amount determined under section 8 of this 2025**
7 **Act**, together with interest at the rate set forth in ORS 311.812, shall be re-
8 funded to the veteran. Refunds shall be made from the refund reserve account
9 established under ORS 311.807.

10 **SECTION 11.** ORS 307.270 is amended to read:

11 307.270. (1)(a) The [*exemption*] **property tax credit allowable** under ORS
12 307.250 applies to property **that** a veteran or surviving spouse **of a veteran**
13 owns or has in possession under a recorded contract of purchase. [*The ex-*
14 *emption first applies to the homestead of the veteran or surviving spouse and*
15 *then to the personal property of the veteran or surviving spouse.*]

16 (b) Property of the spouse of [*the*] a veteran is deemed the homestead of
17 the veteran if the veteran and the spouse of the veteran are living together
18 and occupying the property as their homestead. [*When a veteran or surviving*
19 *spouse applies for exemption on properties in two or more counties, the total*
20 *amount of the exemption allowed in all counties may not exceed the maximum*
21 *amount of exemption under ORS 307.250.*]

22 (c) **When a veteran or surviving spouse of a veteran applies for a**
23 **property tax credit with respect to properties located in more than one**
24 **county, the total amount of the credit allowed in all counties may not**
25 **exceed the maximum amount of the credit determined under section**
26 **8 of this 2025 Act.**

27 (2) For each [*qualified*] veteran or surviving spouse **of a veteran** only one
28 valid and allowable claim for [*an exemption on*] **a property tax credit with**
29 **respect to** a homestead [*shall*] **may** be permitted in any one assessment year.

30 **SECTION 12.** ORS 307.280 is amended to read:

31 307.280. Allowance of [*the exemption,*] **a property tax credit** under ORS

1 307.250[,] in any year shall not have the effect of canceling or permitting the
2 cancellation of any tax levied in any prior year.

3 **SECTION 13. ORS 307.283 is repealed.**

4 **SECTION 14. Property tax credits under ORS 307.250 to 307.283 may**
5 **be allowed against credit-eligible taxes due for property tax years be-**
6 **ginning on or after July 1, 2026.**

7 **SECTION 15. (1) An initial year of partial exemption under ORS**
8 **307.250, as in effect immediately before the effective date of this 2025**
9 **Act, may not be granted for property tax years beginning on or after**
10 **July 1, 2026.**

11 **(2) Notwithstanding subsection (1) of this section, a homestead that**
12 **is granted a partial exemption for the property tax year beginning on**
13 **July 1, 2025, shall continue to receive the partial exemption for as long**
14 **as the veteran or surviving spouse of a veteran and the homestead**
15 **qualify for it under ORS 307.250 to 307.283, as in effect immediately**
16 **before the effective date of this 2025 Act.**

17 **SECTION 16. ORS 307.370 is amended to read:**

18 307.370. (1) In aid of **disabled** veterans [*tax exemptions*], subject to the
19 conditions prescribed in ORS 307.370 to 307.385 [*and 308.490, there shall be*
20 *exempt from taxation*], **a property tax credit, in an amount computed**
21 **under ORS 307.380, shall be allowed against the credit-eligible taxes as**
22 **defined in ORS 307.250 otherwise due on** the personal property and a
23 portion of the real property [*computed as provided in ORS 307.380,*] owned
24 or being purchased under a contract by a corporation described in ORS
25 307.375 [*which*] **that** is actually and exclusively occupied and used in the
26 operation of a nonprofit home for elderly persons.

27 **(2) For the purposes of subsection (1) of this section, a corporation which**
28 **is described in ORS 307.375 which has only a leasehold interest in a**
29 **nonprofit home for elderly persons operated by it is deemed to be a purchaser**
30 **of the property if the operating lessee is specifically obligated by its contract**
31 **of lease to pay the ad valorem taxes on the real and personal property used**

1 in the operation of the home.

2 **SECTION 17.** ORS 307.375 is amended to read:

3 307.375. The [*exemption provided in*] **property tax credit allowable un-**
4 **der** ORS 307.370 may be permitted only [*as*] to a corporation organized and
5 operated only for the purpose of furnishing permanent residential, recre-
6 ational and social facilities primarily for elderly persons, that:

7 (1) Is organized not for profit, pursuant to ORS chapter 65 or any statute
8 repealed by chapter 580, Oregon Laws 1959;

9 (2) Receives not less than 95 percent of its operating gross income, ex-
10 cluding any investment income, solely from payments for living, medical,
11 recreational and social services and facilities, paid by or on behalf of elderly
12 persons using the facilities of such corporation;

13 (3) Permits no part of its net earnings to inure to the benefit of any pri-
14 vate stockholder or individual; and

15 (4) Provides in its articles or other governing instrument that, upon dis-
16 solution, the assets remaining after satisfying all lawful debts and liabilities
17 shall be distributed to one or more corporations exempt from taxation under
18 this chapter as corporations organized and operated exclusively for religious,
19 charitable, scientific, literary or educational purposes, or to the State of
20 Oregon.

21 **SECTION 18.** ORS 307.380 is amended to read:

22 307.380. [*(1) Each corporation described in ORS 307.375, claiming the per-*
23 *sonal property tax exemption pursuant to ORS 307.370, shall file with the*
24 *county assessor, on forms supplied by the assessor, a written claim therefor in*
25 *duplicate on or before April 1 of each year in which the exemption is claimed,*
26 *except that when the property designated is acquired after March 1 and before*
27 *July 1, the claim for that year shall be filed within 30 days after the date of*
28 *acquisition. If the claim for any year is not filed within the time specified, the*
29 *exemption shall not be allowed on the assessment roll for that year. The claim*
30 *shall be signed by the taxpayer subject to the penalties for false swearing.]*

31 **(1)(a) Each corporation described in ORS 307.375 claiming the prop-**

1 **erty tax credit allowable under ORS 307.370 shall file with the county**
2 **assessor, on forms supplied by the assessor, a written claim for the**
3 **credit in duplicate on or before April 1 of each year for which the**
4 **credit is claimed, except that when the property designated is acquired**
5 **after March 1 and before July 1, the claim for that year shall be filed**
6 **within 30 days after the date of acquisition.**

7 **(b) If the claim for any year is not filed within the time specified,**
8 **the property tax credit shall not be allowed on the assessment roll for**
9 **that year.**

10 **(c) The claim shall be signed by the taxpayer subject to the penal-**
11 **ties for false swearing under ORS 162.075.**

12 (2)(a) Each corporation annually shall aid residents[,] who could qualify
13 for [*property tax exemptions pursuant to*] **the property tax credit allowable**
14 **under** ORS 307.250 to 307.283[,] if the living unit of such elderly person were
15 the homestead of the person and owned in fee simple[,] to prepare applica-
16 tions in duplicate for [*property tax exemptions*] **the property tax credit** on
17 behalf of the corporation, for the benefit of the elderly person as provided
18 by ORS 307.370 to 307.385 [*and 308.490*]. The duplicate forms shall be com-
19 pleted and signed by the resident-applicant **subject to the penalties for**
20 **false swearing under ORS 162.075** and filed with the assessor on or before
21 the date required by law.

22 [*(b) The corporation shall determine the amount of assessed value that each*
23 *resident of a nonprofit home who would have qualified for an exemption under*
24 *ORS 307.250 to 307.283 would have had exempted if the living unit of such*
25 *elderly person was the homestead of the person and owned in fee simple. The*
26 *amount of the property tax exemption provided for in ORS 307.370 to 307.385*
27 *and 308.490 and attributable to the veteran or surviving spouse of the veteran*
28 *shall be the lesser of:]*

29 [*(A) The maximum amount of exemption that the veteran or surviving*
30 *spouse of a veteran would have qualified for under ORS 307.250 or 307.283,*
31 *whichever is applicable; or]*

1 *[(B) The assessed value of the living unit of the veteran or the surviving*
2 *spouse.]*

3 **(b) The corporation shall determine the amount of the property tax**
4 **credit that each resident of a nonprofit home who would have been**
5 **allowed a credit under ORS 307.250 to 307.283 if the living unit of such**
6 **elderly person was the homestead of the person and owned in fee**
7 **simple.**

8 (c) The assessor shall process each such application in the manner oth-
9 erwise required under ORS 307.250 to 307.283, except for the requirement of
10 owning or purchasing a homestead. The total of such *[exempt]* **property tax**
11 **credit** amounts in each facility¹, *together with the exemption on personal*
12 *property,* shall constitute the *[exemption]* **property tax credit** allowed the
13 corporation.

14 (3) The assessor shall act upon the claim and shall approve it or reject
15 it, noting the action upon both the original and the duplicate copies. The
16 duplicate copy *[thereupon]* shall be returned to the claimant.

17 (4) The Department of Revenue shall furnish to a county assessor, upon
18 request, a statement certifying the qualification or nonqualification of a
19 corporation under ORS 307.375.

20 **SECTION 19.** ORS 307.385 is amended to read:

21 307.385. *[Not later than December 15 of each year, a corporation that has*
22 *received a real property exemption for the current year under ORS 307.370*
23 *shall credit the account of each resident of a facility whose living unit was*
24 *taken into account in determining the real property exemption. The amount of*
25 *the credit must equal the amount of real property taxes that would have been*
26 *assessed and collected against the corporation for that portion of the assessed*
27 *value of such living unit included in computing the corporation's exemption.*
28 *The county assessor shall furnish the corporation with the information neces-*
29 *sary for the corporation to make the computation.]*

30 **(1) Not later than December 15 of each year, a corporation that has**
31 **received a property tax credit for the current year under ORS 307.370**

1 **shall credit the account of each resident of a facility whose living unit**
2 **was taken into account in determining the corporation's property tax**
3 **credit in the amount determined under ORS 307.380 (2)(b).**

4 (2) Prior to the following February 1, the corporation shall satisfy the
5 assessor that credit has been given each applicable resident as required by
6 this section.

7 (3) If the corporation fails to satisfy the assessor that the applicable
8 resident has received the credit, the assessor must deny the corporation any
9 property tax [*exemption*] **credit** under ORS 307.370 to 307.385 [*or 308.490*] in
10 the next assessment year, beginning January 1.

11 **SECTION 20.** ORS 308.215 is amended to read:

12 308.215. (1) The assessor shall prepare the assessment roll in the following
13 form:

14 (a) Real property shall be listed in sequence by account number or by
15 code area and account numbers. For each parcel of real property, the
16 assessor shall set down in the assessment roll according to the best infor-
17 mation the assessor can obtain:

18 (A) The name of the owner or owners and, if the assessor or tax collector
19 is instructed in writing by the owner or owners to send statements and no-
20 tices relating to taxation to an agent or representative, the name of such
21 agent or representative.

22 (B) A description as required by ORS 308.240 with its code area and ac-
23 count numbers.

24 (C) The property class, in accordance with the classes established by rule
25 by the Department of Revenue.

26 (D) The number of acres and parts of an acre, as nearly as can be ascer-
27 tained, unless it is divided into blocks and lots.

28 (E) The real market value of the land, excluding all buildings, structures,
29 improvements and timber thereon.

30 (F) The real market value of all buildings, structures and improvements
31 thereon.

1 (G) The real market value of each unit together with its percentage of
2 undivided interest in the common elements of property subject to ORS
3 100.005 to 100.910 stating separately the real market value of the land,
4 buildings, structures and improvements of each unit.

5 (H) **The amount of any property tax credit allowed** for each parcel
6 of real property [*granted an exemption*] under ORS 307.250 to 307.283[, *the*
7 *real market value so exempt*].

8 (I) The total assessed value, maximum assessed value and real market
9 value of each parcel of real property assessed.

10 (b) For personal property, the assessor shall set down separately in the
11 assessment roll, according to the best information the assessor can obtain:

12 (A) The names, including assumed business names, if any, of all persons,
13 whether individuals, partnerships or corporations, or other owner, owning
14 or having possession or control of taxable personal property on January 1,
15 at 1:00 a.m. of the assessment year. If it is a partnership, the names of two
16 general partners and the total number thereof.

17 (B) The real market value of the personal property assessed, with a sep-
18 arate value for each category of personal property, if any. The Department
19 of Revenue, by rule, may establish such categories as appear useful or nec-
20 essary for good tax administration.

21 (C) The number of the code area assigned by the assessor covering the
22 situs of the property on January 1.

23 (D) The total assessed, maximum assessed and real market value for the
24 property.

25 (c) Real property and machinery and equipment listed on the assessment
26 roll shall each bear a distinctive designation so that machinery and equip-
27 ment can be identified with the real property upon which the machinery and
28 equipment is located.

29 (d)(A) The listing of manufactured structures on the assessment roll,
30 whether as real or personal property, shall be done in a distinctive manner
31 so that manufactured structures may be readily distinguished from other

1 property.

2 (B) In lieu of listing manufactured structures on the assessment roll as
3 real or personal property, the assessor may list manufactured structures in
4 a separate section of the assessment roll. In any county where such separate
5 listing of manufactured structures is made the manufactured structures as-
6 sessed as real property under ORS 308.875 shall bear a distinctive desig-
7 nation so that it can be identified with the real property upon which it is
8 located. In like manner the real property upon which the manufactured
9 structure is situated shall bear a distinctive designation so that it can be
10 identified with the manufactured structure. Where a homestead exemption
11 is granted to a manufactured structure assessed as real property under ORS
12 308.875, which manufactured structure is listed on a portion of the assess-
13 ment roll separate from the real property, the exempt amount shall apply
14 first to the value of the manufactured structure, and any remainder shall
15 apply to the parcel of land upon which it is situated.

16 (2) For purposes of the classification of real property required under
17 subsection (1)(a)(C) of this section, property listed in paragraph (a), (b) or (c)
18 of this subsection must be classified, together with any other property listed
19 in the respective paragraph, separately from all other property:

20 (a) Machinery and equipment.

21 (b) Property appraised under ORS 306.126, other than machinery and
22 equipment.

23 (c) Industrial property, other than property appraised under ORS 306.126,
24 and commercial property.

25 (3) The Department of Revenue may by rule require that the assessment
26 roll include information in addition to that required by subsection (1) of this
27 section.

28 **SECTION 21.** ORS 310.160 is amended to read:

29 310.160. (1) For purposes of determining whether the taxes on property to
30 be imposed on any property exceed the limits imposed by section 11b, Article
31 XI of the Oregon Constitution, the unit of property to be considered shall

1 consist of all contiguous property within a single code area in the county
2 under common ownership that is used and appraised for a single integrated
3 purpose, whether or not that property is taxed as a single account or multi-
4 ple accounts.

5 (2) In the case of real property that is specially assessed under ORS
6 308A.107, 308A.256, 308A.315, 321.257 to 321.390 or 358.480 to 358.545 or any
7 other law, or partially exempt from tax under [*ORS 307.250 or 307.370 or any*
8 *other*] **any** law, the unit of property shall consist of all components of land
9 and improvements in a single operating unit.

10 (3) In the case of timeshare properties, the unit of property shall consist
11 of all real property components associated with all timeshare property within
12 a timeshare plan as described in ORS 94.808.

13 (4) In the case of personal property that is not part of an operating unit
14 consisting of both real and personal property, the unit of property shall
15 consist of all items of personal property identified in a single property tax
16 account.

17 (5) In the case of land upon which an improvement is located, and the
18 land and the improvement are owned by different persons, if the land and
19 improvements are a single operating unit, the unit of property shall consist
20 of the entire improved parcel.

21 **SECTION 22.** ORS 310.165, as amended by section 2, chapter 94, Oregon
22 Laws 2024, is amended to read:

23 310.165. (1) For any unit of property partially exempt from tax under
24 [*ORS 307.250, 307.370 or 308.459 or any other*] **any** law, the assessor shall
25 determine the maximum amount of taxes on property to be imposed on such
26 unit of property under ORS 310.150, by using the lesser of the real market
27 value or the taxable value of the unit of property after the exemption has
28 been applied.

29 (2) For any unit of property that is specially assessed for ad valorem tax
30 purposes under ORS 308A.050 to 308A.128, 308A.250 to 308A.259, 308A.315,
31 321.257 to 321.390, 321.700 to 321.754, 321.805 to 321.855 or 358.480 to 358.545

1 or section 1, chapter 94, Oregon Laws 2024, the assessor shall determine the
2 maximum amount of taxes on property to be imposed on such property under
3 ORS 310.150 by using the lesser of the real market value or the specially
4 assessed value of the property.

5 (3) In the case of any unit of property of which a part of the unit is ex-
6 empt from taxation, and that part may be identified both as to value and
7 physical description, the real market value of the unit shall not include the
8 value of the exempt part of the unit.

9 (4) This subsection applies to any unit of property described in subsection
10 (1) or (2) of this section for which the maximum amount of taxes imposed
11 has been determined under this section. If the unit of property is subject to
12 imposition of additional taxes due to disqualification from special assessment
13 or partial exemption, the determination of the maximum amount of addi-
14 tional taxes that may be imposed due to disqualification shall be made on
15 the basis of the real market value of the property for the year to which the
16 additional taxes relate.

17 **SECTION 23.** ORS 311.812 is amended to read:

18 311.812. (1) Except as provided in subsection (2) of this section, interest
19 may not be paid upon any tax refunds made under ORS 311.806.

20 (2) Interest as provided in subsection (3) of this section shall be paid on
21 the following refunds:

22 (a) A refund resulting from the correction under ORS 308.242 (2) or (3)
23 or 311.205 of an error made by the assessor, Department of Revenue or tax
24 collector.

25 (b) A refund resulting from a written stipulation of the county assessor
26 or the county tax collector if the written stipulation constitutes a final de-
27 termination that is not subject to appeal.

28 (c) Any refund ordered by the Department of Revenue if no appeal is
29 taken or can be taken from the department's order.

30 (d) Refunds ordered by the Oregon Tax Court or the Supreme Court if the
31 order constitutes a final determination of the matter.

1 (e) Refunds of taxes collected against real or personal property not within
2 the jurisdiction of the tax levying body.

3 (f) Refunds due to reductions in value ordered by a county property value
4 appeals board where no appeal is taken.

5 (g) Refunds due to reductions in value made pursuant to ORS 309.115.

6 (h) Refunds due to a claim for a veteran's [*exemption*] **property tax**
7 **credit** for a prior tax year that is filed pursuant to ORS 307.262.

8 (3)(a) The interest provided by subsection (2) of this section shall be paid
9 at the rate of one percent per month, or fraction of a month, computed from
10 the time the tax was paid or from the time the first installment thereof was
11 due, whichever is the later. If a discount is given at the time the taxes are
12 paid, interest shall be computed only on the net amount of taxes to be re-
13 funded. If any portion of a refund described in subsection (2) of this section
14 results from an assessment based on inaccurate information contained in a
15 report filed by a taxpayer, interest shall be computed on only the portion of
16 the refund that is not attributable to the inaccurate information contained
17 in the taxpayer report.

18 (b) As used in this subsection, "report" means a return, statement or any
19 other information provided by a taxpayer in writing to the department or
20 county assessor.

21 **SECTION 24. This 2025 Act takes effect on the 91st day after the**
22 **date on which the 2025 regular session of the Eighty-third Legislative**
23 **Assembly adjourns sine die.**

24
