

HB 3755 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Beau Olen, Economist

Meeting Dates: 3/18

WHAT THE MEASURE DOES:

Creates a property tax exemption for the homestead of an individual who is 65 years of age or more, has resided in the homestead for 10 years or more, and has household income of \$150,000 per year or less. Indexes the household income limit to inflation. Sets exemption amount of five percent for a qualifying homeowner who is 65 years of age and increases the exemption amount by five percentage points for each additional year of age. Applies to property tax years 2026-27 and after.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Currently, five property tax exemptions or special assessments in Oregon are designed to benefit seniors by providing property tax relief for senior service providers. All but one of these programs are designed such that the relief is passed through to seniors in the form of lower rental rates at long-term care or elderly housing facilities. Alternatively, the Homestead Property Tax Deferral program is available for homeowners who are 62 years of age or more or qualify for Social Security disability benefits. The State pays the property taxes due on the homestead on behalf of participating homeowners. All deferred taxes, interest, and fees are due upon disqualification—when the owner moves, sells the homestead, or dies. Simple six percent interest accrues annually on the deferred property taxes.