

## HOUSE AMENDMENTS TO HOUSE BILL 3712

By COMMITTEE ON REVENUE

May 13

1 On page 1 of the printed bill, delete line 27 and insert:

2 “(A) Household income of \$70,000 or more; or”.

3 On page 2, delete lines 5 and 6 and insert:

4 “(B) Recompute the maximum household income by multiplying \$70,000 by the appropriate in-  
5 dexing factor determined under subparagraph (A) of this paragraph.”.

6 Delete lines 15 through 45 and delete pages 3 and 4 and insert:

7 “**SECTION 2.** ORS 311.670 is amended to read:

8 “311.670. (1) Property is not eligible for tax deferral under ORS 311.666 to 311.701 unless, at the  
9 time a claim is filed and during the period for which deferral is claimed, the property meets the  
10 requirements of this section.

11 “(2)(a) The property for which the claim is filed must have been the homestead of the individual  
12 or individuals who file the claim for deferral for at least five years preceding April 15 of the year  
13 in which the claim is filed.

14 “(b) The five-year requirement under paragraph (a) of this subsection does not apply to a  
15 homestead that meets all other requirements of this section, if the individual or individuals filing the  
16 claim for deferral:

17 “(A) Are required to be absent from the homestead by reason of health;

18 “(B)(i) Moved to the homestead for which the claim is filed from a homestead that was granted  
19 deferral under ORS 311.666 to 311.701 and was of greater real market value than the homestead for  
20 which the claim is filed;

21 “(ii) Sell the prior homestead within one year of purchasing the homestead for which the claim  
22 is filed;

23 “(iii) Satisfy any lien created under ORS 311.673 or 311.679 and attached to the prior homestead;  
24 and

25 “(iv) Provide a written attestation that the individual or individuals incurred debt for not more  
26 than 80 percent of the purchase price of the homestead for which the claim is filed; or

27 “(C) Are a surviving spouse or disabled heir claiming continuation of deferral under ORS  
28 311.688.

29 “(3) The individual claiming the deferral, individually or jointly, must own the fee simple estate  
30 under a recorded instrument of sale, or two or more individuals together must own the fee simple  
31 estate with rights of survivorship under a recorded instrument of sale if all owners live in the  
32 property and if all owners apply for the deferral jointly.

33 “(4)(a) The homestead must be insured for fire and other casualty.

34 “(b) If the homestead meets all other requirements of this section and is insurable for fire and  
35 other casualty but not insured, the Department of Revenue may purchase insurance for the home-

1   stead and add the cost of the insurance coverage to a lien created under ORS 311.679.

2       “(5) There may be no prohibition to the deferral of property taxes contained in any provision  
3   of federal law, rule or regulation applicable to a mortgage, trust deed, land sale contract or condi-  
4   tional sale contract for which the homestead is security.

5       “(6) A homestead is not eligible for deferral under ORS 311.666 to 311.701 unless the real market  
6   value of the homestead entered on the certified assessment and tax roll for the property tax year  
7   immediately preceding the property tax year for which the taxes will be deferred is less than the  
8   greater of \$250,000 or:

9       “[(a) 100 percent of county median RMV if, as of April 15 of the year in which a claim is filed,  
10   the taxpayers have continuously owned and occupied the homestead less than seven years.]

11       “[(b) 110 percent of county median RMV if, as of April 15 of the year in which a claim is filed,  
12   the taxpayers have continuously owned and occupied the homestead at least seven years but less than  
13   nine years.]

14       “[(c) 120 percent of county median RMV if, as of April 15 of the year in which a claim is filed, the  
15   taxpayers have continuously owned and occupied the homestead at least nine years but less than 11  
16   years.]

17       “[(d) 130 percent of county median RMV if, as of April 15 of the year in which a claim is filed,  
18   the taxpayers have continuously owned and occupied the homestead at least 11 years but less than 13  
19   years.]

20       “[(e) 140 percent of county median RMV if, as of April 15 of the year in which a claim is filed, the  
21   taxpayers have continuously owned and occupied the homestead at least 13 years but less than 15  
22   years.]

23       “[(f)] (a) 150 percent of county median RMV if, as of April 15 of the year in which a claim is  
24   filed, the taxpayers have continuously owned and occupied the homestead [at least 15 years but] less  
25   than 17 years.

26       “[(g)] (b) 160 percent of county median RMV if, as of April 15 of the year in which a claim is  
27   filed, the taxpayers have continuously owned and occupied the homestead at least 17 years but less  
28   than 19 years.

29       “[(h)] (c) 170 percent of county median RMV if, as of April 15 of the year in which a claim is  
30   filed, the taxpayers have continuously owned and occupied the homestead at least 19 years but less  
31   than 21 years.

32       “[(i)] (d) 200 percent of county median RMV if, as of April 15 of the year in which a claim is  
33   filed, the taxpayers have continuously owned and occupied the homestead at least 21 years but less  
34   than 23 years.

35       “[(j)] (e) 225 percent of county median RMV if, as of April 15 of the year in which a claim is  
36   filed, the taxpayers have continuously owned and occupied the homestead at least 23 years but less  
37   than 25 years.

38       “[(k)] (f) 250 percent of county median RMV if, as of April 15 of the year in which a claim is  
39   filed, the taxpayers have continuously owned and occupied the homestead for 25 years or more.

40       “(7)(a) For each tax year beginning on or after July 1, 2022, the Department of Revenue shall  
41   recompute the \$250,000 minimum cap on allowable real market value provided under subsection (6)  
42   of this section as follows:

43       “(A) Divide the average Consumer Price Index for All Urban Consumers, West Region, for the  
44   first six months of the current calendar year by the average Consumer Price Index for All Urban  
45   Consumers, West Region, for the first six months of 2021.

1 “(B) Recompute the minimum cap on allowable real market value by multiplying \$250,000 by the  
2 appropriate indexing factor determined under subparagraph (A) of this paragraph.

3 “(b) Any change in the minimum cap on allowable real market value determined under para-  
4 graph (a) of this subsection shall be rounded to the nearest multiple of \$500.

5 “(8) For purposes of subsection (6) of this section, a surviving spouse or disabled heir who is  
6 eligible to claim continuation of deferral under ORS 311.688 is considered to have owned and occu-  
7 pied the homestead from the date on which the deceased individual or individuals who filed the  
8 claim for deferral first owned and occupied the homestead.

9 “**SECTION 3. The amendments to ORS 311.668 and 311.670 by sections 1 and 2 of this 2025**  
10 **Act apply to property tax years beginning on or after July 1, 2026.**

11 “**SECTION 4. Section 5 of this 2025 Act is added to and made a part of ORS 311.666 to**  
12 **311.701.**

13 “**SECTION 5. (1) The Legislative Revenue Officer shall conduct a study of the homestead**  
14 **property tax deferral program under ORS 311.666 to 311.701.**

15 “(2) The focus of the study shall be:

16 “(a) The equity in homesteads held by:

17 “(A) Taxpayers whose homesteads have been granted deferral; and

18 “(B) Taxpayers whose claims for deferral have been denied; and

19 “(b) The advantages and disadvantages of determining an individual’s eligibility under  
20 ORS 311.668 on the basis of a claimant’s equity in the homestead rather than the claimant’s  
21 household income.

22 “(3) The Legislative Revenue Officer shall submit a report of the findings of the study,  
23 in the manner provided in ORS 192.245, to the interim committees of the Legislative As-  
24 sembly related to revenue, no later than September 15, 2026.

25 “**SECTION 6. Section 5 of this 2025 Act is repealed on January 2, 2028.”.**  
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