

House Bill 3755

Sponsored by Representative DRAZAN

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 grant a tax break for the owner-occupied homes of people who are at least 65 years old, have resided in the home for at least 10 years and have a household income of not more than \$150,000 a year. The Act would increase the tax break by five percentage points each year. (Flesch Readability Score: 62.0).

Creates a property tax exemption for the owner-occupied principal dwelling of seniors who are at least 65 years of age, have resided in the dwelling for at least 10 years and have a household income not greater than \$150,000 per year. Provides an exemption of the assessed value of the homestead in annually increasing increments of five percentage points.

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

A BILL FOR AN ACT

1
2 Relating to a property tax exemption for the homesteads of certain seniors; and prescribing an ef-
3 fective date.

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

SECTION 1. (1) As used in this section:

6 (a) **“Adjusted gross income” means income as defined in ORS 311.666.**

7 (b) **“Age qualification date” means April 15 immediately preceding the property tax year**
8 **for which an exemption under this section is sought.**

9 (c) **“Homestead” has the meaning given that term in ORS 311.666.**

10 (2) **Upon compliance with subsection (4) of this section, an exemption from ad valorem**
11 **property taxes may be granted, in an amount determined under subsection (3) of this section,**
12 **to the homestead of an individual who, as of the age qualification date for any year:**

13 (a) **Is at least 65 years of age;**

14 (b) **Individually or jointly owns the homestead;**

15 (c) **Has resided in the homestead for at least 10 years; and**

16 (d) **Lives in a household with an aggregate adjusted gross income not greater than**
17 **\$150,000 for the taxable year immediately preceding the assessment year for which the ex-**
18 **emption is sought.**

19 (3) **The exemption shall be granted as a percentage of the assessed value of the home-**
20 **stead in accordance with the age of the taxpayer as of the age qualification date as follows:**

21 (a) **Five percent for a taxpayer who is 65 years of age.**

22 (b) **Ten percent for a taxpayer who is 66 years of age.**

23 (c) **Fifteen percent for a taxpayer who is 67 years of age.**

24 (d) **Twenty percent for a taxpayer who is 68 years of age.**

25 (e) **Twenty-five percent for a taxpayer who is 69 years of age.**

26 (f) **Thirty percent for a taxpayer who is 70 years of age.**

27 (g) **Thirty-five percent for a taxpayer who is 71 years of age.**

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 (h) Forty percent for a taxpayer who is 72 years of age.
- 2 (i) Forty-five percent for a taxpayer who is 73 years of age.
- 3 (j) Fifty percent for a taxpayer who is 74 years of age.
- 4 (k) Fifty-five percent for a taxpayer who is 75 years of age.
- 5 (L) Sixty percent for a taxpayer who is 76 years of age.
- 6 (m) Sixty-five percent for a taxpayer who is 77 years of age.
- 7 (n) Seventy percent for a taxpayer who is 78 years of age.
- 8 (o) Seventy-five percent for a taxpayer who is 79 years of age.
- 9 (p) Eighty percent for a taxpayer who is 80 years of age.
- 10 (q) Eighty-five percent for a taxpayer who is 81 years of age.
- 11 (r) Ninety percent for a taxpayer who is 82 years of age.
- 12 (s) Ninety-five percent for a taxpayer who is 83 years of age.
- 13 (t) One hundred percent for a taxpayer who is 84 years of age or older.
- 14 (4)(a) A claim for the exemption under this section must:
 - 15 (A) Be in writing on a form supplied by the Department of Revenue;
 - 16 (B) Describe the homestead;
 - 17 (C) Recite all facts establishing the eligibility of the homestead for, and of the taxpayer
 - 18 to claim, the exemption; and
 - 19 (D) Have attached:
 - 20 (i) Any documentary proof required by the department; and
 - 21 (ii) A signed statement, subject to penalties for false swearing under ORS 162.075, that
 - 22 the statements contained in the claim are true.
 - 23 (b) A claim for exemption must be filed with the assessor of the county in which the
 - 24 homestead is located, after January 1 and on or before the age qualification date for each
 - 25 property tax year for which the exemption is sought.
 - 26 (c) Notwithstanding paragraph (b) of this subsection, a claim for exemption may be filed
 - 27 with the county assessor after the age qualification date for a property tax year and on or
 - 28 before December 1 of the same calendar year. A claim filed under this paragraph must be
 - 29 accompanied by a fee in an amount equal to 10 percent of the property taxes assessed on the
 - 30 homestead on the last certified assessment and tax roll, but in no event less than \$20 or
 - 31 greater than \$150.
 - 32 (5)(a) For claims for exemption for each property tax year beginning on or after July 1,
 - 33 2026, the department shall annually adjust the maximum aggregate adjusted gross income
 - 34 under subsection (2)(d) of this section and the fee limits under subsection (4)(c) of this sec-
 - 35 tion to reflect changes in the average Consumer Price Index for All Urban Consumers, West
 - 36 Region (All Items), as published by the Bureau of Labor Statistics of the United States De-
 - 37 partment of Labor, since July 1, 2025.
 - 38 (b) The new aggregate adjusted gross income amounts shall be rounded to the nearest
 - 39 multiple of \$100.
 - 40 (c) The new fee limit amounts shall be rounded to the nearest multiple of \$10, but in no
 - 41 event to less than \$20.
 - 42 (6) The county assessor shall forward each claim filed under this section to the Depart-
 - 43 ment of Revenue, and the department shall determine the eligibility of the homestead for,
 - 44 and of the taxpayer to claim, the exemption.
 - 45 (7) If the homestead and the taxpayer are determined to be eligible under subsection (4)

1 of this section, the homestead shall be exempt from the property taxes levied for the prop-
2 erty tax year beginning on July 1 of the calendar year in which the claim is filed.

3 (8) The exemption granted to a homestead shall be canceled and the homestead shall be
4 assessed and taxed as other property similarly situated is assessed and taxed, if, as of Jan-
5 uary 1 of the assessment year:

6 (a) The individual who claimed the exemption has died.

7 (b) The homestead is sold, a contract to sell is entered into or a person other than the
8 individual who claimed the exemption, including a transferee, becomes the owner of the
9 homestead.

10 (c) The property is no longer the homestead of any individual who claimed the exemption,
11 except in the case of an individual required to be absent from the homestead by reason of
12 health.

13 (d) The homestead is a manufactured structure or floating home and has been moved out
14 of this state.

15 (e) New property or new improvements as defined in ORS 308.149 have been added to the
16 tax account of the homestead that has been granted the exemption.

17 (9) Any taxpayer aggrieved by the denial of a claim for the exemption under this section
18 may appeal in the manner provided by ORS 305.404 to 305.560.

19 (10) ORS 315.037 does not apply to this section.

20 **SECTION 2.** Section 1 of this 2025 Act applies to property tax years beginning on or after
21 July 1, 2026.

22 **SECTION 3.** This 2025 Act takes effect on the 91st day after the date on which the 2025
23 regular session of the Eighty-third Legislative Assembly adjourns sine die.
24
