

A-Engrossed
Senate Bill 1094

Ordered by the Senate June 13
Including Senate Amendments dated June 13

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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. The statement includes a measure digest written in compliance with applicable readability standards.

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 provisions; amending ORS
3 307.250, 307.260, 307.262, 307.270, 307.280, 307.370, 307.375, 307.380, 307.385, 308.215, 310.160,
4 310.165 and 311.812; repealing ORS 307.283; and prescribing an effective date.

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

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

7 (1) **"Credit-eligible taxes" means ad valorem property taxes other than taxes that are**
8 **levied to repay bonded indebtedness.**

9 (2) **"Eligible homestead" means residential property that:**

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

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

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

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

17 (b) **Performing service:**

18 (A) **Under Title 10 of the United States Code or pursuant to a deployment made under**
19 **the authority of the Emergency Management Assistance Compact; and**

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

22 (2)(a) **Upon compliance with section 3 of this 2025 Act, and regardless of any value as-**
23 **sessed on the eligible homestead, a property tax credit against the credit-eligible taxes oth-**

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 erwise due on an eligible homestead shall be allowed for any property tax year in an amount
2 equal to the lesser of:

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

4 (B) \$2,050.

5 (b) The maximum amount of the property tax credit allowable under paragraph (a)(B) of
6 this subsection shall be increased annually by three percent of the maximum amount for the
7 previous property tax year.

8 (3)(a) The amount of the property tax credit used against the credit-eligible taxes im-
9 posed on an eligible homestead shall be withheld from the taxing districts of the code area
10 in which the eligible homestead is located according to the percentage schedule prepared and
11 filed under ORS 311.390.

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

14 (c) For any partial payments of credit-eligible taxes, the amount of the property tax
15 credit allowed against the payment shall be proportional to the percentage of the total taxes
16 due that are paid.

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

19 (4)(a) A resident currently receiving the partial exemption against a homestead's as-
20 sessed value granted under ORS 307.286 may, for the succeeding property tax year, file a
21 claim for and receive instead the property tax credit allowable under this section against the
22 credit-eligible taxes imposed on the homestead.

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

25 (5) It is the intent of the Legislative Assembly that a property tax credit allowed under
26 this section does not subject the eligible homestead to revaluation under Article XI, section
27 11 (1)(c)(E) or (2), of the Oregon Constitution.

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

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

33 (a) Designate the eligible homestead to which the property tax credit will apply;

34 (b) Set forth the basis for eligibility of the claimant and the homestead for the property
35 tax credit; and

36 (c) Include a statement by the claimant, made subject to the penalties for false swearing
37 under ORS 162.075, that all information contained in the claim is true.

38 (3) Notwithstanding subsection (1) of this section and section 2 (1) of this 2025 Act, the
39 eligible homestead of a resident described in section 2 (1) of this 2025 Act who files a claim
40 prior to the date on which the resident's service begins shall be allowed the property tax
41 credit if the claimant has written orders that require the performance of service for at least
42 one day during the property tax year for which the property tax credit is being claimed and
43 the claimant and the homestead are otherwise eligible for the credit.

44 (4)(a) Notwithstanding subsection (1) of this section and section 2 (1) of this 2025 Act, an
45 individual, other than the eligible resident, who is lawfully occupying an eligible homestead

1 may file a claim for the property tax credit allowable under section 2 of this 2025 Act by the
2 time prescribed in subsection (1) of this section if the eligible resident died while performing
3 the service described in section 2 (1)(b)(A) of this 2025 Act during the current or preceding
4 tax year.

5 (b) The claim shall be allowed by the county assessor if the eligible resident met all of
6 the requirements for a property tax credit under section 2 of this 2025 Act prior to death,
7 other than the number of consecutive days of service specified in section 2 (1)(b)(B) of this
8 2025 Act.

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

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

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

18 (b) The tax collector shall notify the governing body of the county of any refund required
19 under this subsection and the governing body shall cause a refund of the credit-eligible taxes
20 and any interest paid on the taxes to be made from the unsegregated tax collections account
21 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 the code area in which
24 the eligible homestead is located according to the percentage schedule prepared and filed
25 under ORS 311.390.

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

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

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

33 (2) Notwithstanding subsection (1) of this section, a homestead that is granted a partial
34 exemption for the property tax year beginning on July 1, 2025, shall continue to receive the
35 partial exemption for as long as the resident and the homestead qualify for it under ORS
36 307.286, as in effect immediately before the effective date of this 2025 Act.

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

38 307.250. (1) As used in [*this section and ORS 307.260, 307.262 and 307.270,*] **ORS 307.250 to**
39 **307.283:**

40 (a) “Credit-eligible taxes” means ad valorem property taxes other than taxes that are
41 levied to repay bonded indebtedness.

42 (b) “Homestead” means the owner-occupied principal dwelling, whether real or personal
43 property, of a veteran described in subsection (2) or (3) of this section or the surviving
44 spouse of a veteran, and any portion of the tax lot upon which the dwelling is situated that
45 is in the same ownership.

1 (c) **“Surviving spouse of a veteran” means a veteran’s surviving spouse who has not re-**
2 **married.**

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

4 (2)(a) Upon compliance with ORS 307.260, *[there shall be exempt from taxation not to exceed*
5 *\$15,000 of the assessed value of]* **and regardless of any value assessed on the homestead, a**
6 **property tax credit in an amount determined under section 8 of this 2025 Act shall be allowed**
7 **for the homestead [or personal property] of any of the following residents of this state other than**
8 **those described in subsection (3) of this section:**

9 *[(a)]* (A) Any veteran who is officially certified by the United States Department of Veterans
10 Affairs or any branch of the Armed Forces of the United States as having disabilities of 40 percent
11 or more.

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

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

16 (b) *[However,]* A veteran *[shall be entitled to the exemption granted under this paragraph]* **de-**
17 **scribed in paragraph (a)(B) of this subsection may claim the property tax credit allowable**
18 **under this section** only if *[the veteran during the calendar year immediately preceding the assessment*
19 *year for which the exemption is claimed]* **for the last full income tax year preceding the property**
20 **tax year for which the credit is claimed, the veteran** had total gross income, including pensions,
21 disability compensation or retirement pay, or any combination of such payments from the United
22 States Government on account of such service, of not more than 185 percent of federal poverty
23 guidelines.

24 *[(c)]* *The surviving spouse remaining unmarried of a veteran, but the exemption shall apply only to*
25 *the period preceding the date of the first remarriage of the surviving spouse.]*

26 (3) Upon compliance with ORS 307.260, *[there shall be exempt from taxation not to exceed \$18,000*
27 *of the assessed value of]* **a property tax credit in an amount determined under section 8 of this**
28 **2025 Act is allowable for the homestead [or personal property] of any of the following residents of**
29 **this state:**

30 (a) Any veteran who is officially certified by the United States Department of Veterans Affairs
31 or any branch of the Armed Forces of the United States as having service-connected disabilities of
32 40 percent or more.

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

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

40 (4) **A surviving spouse of a veteran is eligible to claim a property tax credit under this**
41 **section only for the period preceding the date of the first remarriage of the surviving spouse**
42 **of a veteran. The eligibility ends on the date of remarriage.**

43 **SECTION 7. Section 8 of this 2025 Act is added to and made a part of ORS 307.250 to**
44 **307.283.**

45 **SECTION 8. (1) Upon compliance with ORS 307.260, and regardless of any value assessed**

1 on the homestead, a property tax credit against the credit-eligible taxes otherwise due on a
2 homestead shall be allowed for any property tax year in an amount equal to the lesser of:

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

4 (b)(A) For a property tax credit allowable under ORS 307.250 (2), \$475; or

5 (B) For a property tax credit allowable under ORS 307.250 (3), \$575.

6 (2) The maximum amount of the property tax credit allowable under subsection (1)(b) of
7 this section shall be increased annually by three percent of the maximum amount for the
8 previous property tax year.

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

11 (4)(a) The amount of the property tax credit used against the credit-eligible taxes im-
12 posed on a homestead shall be withheld from the taxing districts of the code area in which
13 the homestead is located according to the percentage schedule prepared and filed under ORS
14 311.390.

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

17 (c) For any partial payments of credit-eligible taxes, the amount of the property tax
18 credit allowed against the payment shall be proportional to the percentage of the total taxes
19 due that are paid.

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

22 (5)(a) A resident currently receiving the partial exemption against a homestead's as-
23 sessed value granted under ORS 307.250, as in effect immediately before the effective date
24 of this 2025 Act, may, for the succeeding property tax year, file a claim for and receive in-
25 stead the tax credit allowed under this section against the credit-eligible taxes imposed on
26 the homestead.

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

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

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

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

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

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

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

45 (8) It is the intent of the Legislative Assembly that a property tax credit allowed under

1 **this section does not subject the homestead to revaluation under Article XI, section 11**
 2 **(1)(c)(E) or (2), of the Oregon Constitution.**

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

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

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

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

14 (B) The individual claiming the [*exemption*] **property tax credit** is a veteran described in ORS
 15 307.250 [(2)(a)] **(2)(a)(A)** or (3)(a) or a surviving spouse **of a veteran** who meets the requirements
 16 of ORS 307.250 [(2)(c)] **(2)(a)(C)** or (3)(b); and

17 (C) As of the filing date for the current tax year, the ownership and use of the homestead [*or*
 18 *personal property*] and all other [*qualifying*] conditions **of eligibility** for the homestead [*or personal*
 19 *property*] to be allowed the [*exemption*] **property tax credit** remain unchanged.

20 (c)(A) If the [*individual claiming the exemption is a veteran described in ORS 307.250 (2)(b), the*
 21 *claimant shall*] **veteran claiming the property tax credit is described in ORS 307.250 (2)(a)(B),**
 22 **the veteran must** file a claim annually that satisfies the requirements of subsection (2) of this
 23 section on or before the date required in paragraph (a) of this subsection.

24 (B) If the county assessor has not received a claim filed under this paragraph on or before April
 25 1 of the current year, not later than April 10 of each year, the county assessor shall notify the
 26 veteran in the county who [*secured an exemption*] **was allowed a property tax credit** under ORS
 27 307.250 [(2)(b)] **(2)(a)(B)** in the preceding year but who did not [*make application therefor*] **file a**
 28 **claim for the credit** on or before April 1 of the current year. The county assessor may provide the
 29 notification on an unsealed postal card. A veteran so notified may [*secure the exemption, if still*
 30 *qualified, by making application therefor to*] **be allowed the property tax credit, if still eligible,**
 31 **by filing a claim for the property tax credit with** the county assessor not later than May 1 of
 32 the current year, accompanied by a late-filing fee of \$10, which shall be deposited in the general
 33 fund of the county for general governmental expenses. If the claim for any tax year is not filed
 34 within the time specified, the [*exemption*] **property tax credit** may not be allowed on the assessment
 35 roll for that year.

36 [(2)(a) *The claim shall set out the basis of the claim and designate the property to which the ex-*
 37 *emption may apply. Except as provided in subsection (3) of this section, claims for exemptions under*
 38 *ORS 307.250 (2)(a) and (3)(a) shall have affixed thereto the certificate last issued by United States*
 39 *Department of Veterans Affairs or the branch of the Armed Forces of the United States, as the case*
 40 *may be, but dated within three years prior to the date of the claim for exemption, certifying the rate*
 41 *of disability of the claimant.*]

42 **(2)(a) A claim filed under this section must set out the basis of the claim and designate**
 43 **the homestead to which the property tax credit may apply. Except as provided in subsection**
 44 **(3) of this section, there must be affixed to a claim for a property tax credit filed by a vet-**
 45 **eran described in ORS 307.250 (2)(a)(A) or (3)(a) the certificate last issued by the United**

1 **States Department of Veterans Affairs or the branch of the Armed Forces of the United**
 2 **States, as applicable, but dated within three years prior to the date of the claim for the**
 3 **property tax credit, certifying the rate of disability of the claimant.**

4 (b) **Except as provided in subsection (3) of this section, there must be affixed to** claims for
 5 *[exemption]* **the property tax credit** under ORS 307.250 *[(2)(b)]* **(2)(a)(B)** *[shall, except as provided*
 6 *in subsection (3) of this section, have affixed thereto, in addition to]* the certificate last issued by a
 7 licensed physician or naturopathic physician and dated within one year prior to the date of the
 8 claim for *[exemption]* **the property tax credit**, certifying the rate of disability of the claimant, a
 9 statement by the claimant, *[under oath or affirmation]* **made subject to the penalties for false**
 10 **swearing under ORS 162.075**, setting forth the total gross income received by the claimant from
 11 all sources during the last calendar year.

12 (c) There **must** also *[shall]* be affixed to each claim the affidavit or affirmation of the
 13 claimant, **made subject to the penalties for false swearing under ORS 162.075**, that the state-
 14 ments contained *[therein]* **in the claim** are true.

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

21 (4)(a) Notwithstanding subsection (1) of this section, a surviving spouse **of a veteran** may elect,
 22 at any time during the tax year, to continue the *[exemption]* **property tax credit allowed** under ORS
 23 307.250 without filing a new claim if:

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

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

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

28 (c) Upon receipt of the notice, the county assessor shall continue the *[exemption]* **property tax**
 29 **credit** if the surviving spouse **of a veteran** meets all of the **applicable** eligibility requirements for
 30 *[an exemption]* **the credit** under ORS 307.250 other than the timely filing of a claim under subsection
 31 (1) of this section.

32 *[(d) If taxes on the exempt value have been paid, the taxes shall be refunded in the manner pre-*
 33 *scribed in paragraph (d) of this subsection. If taxes on the exempt value have not been paid, the taxes*
 34 *and any interest on the taxes are abated.]*

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

38 (e) The tax collector shall notify the governing body of the county of any refund required under
 39 this section and the governing body shall cause a refund of the *[taxes]* **the amount of the property**
 40 **tax credit** and any interest paid to be made from the unsegregated tax collections account described
 41 in ORS 311.385. The refund under this subsection shall be made without interest. The county
 42 assessor and tax collector shall make the necessary corrections in the records of their offices.

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

44 307.262. (1) Notwithstanding ORS 307.260, if a veteran receives notice of certification from the
 45 United States Department of Veterans Affairs or any branch of the Armed Forces of the United

1 States that the veteran has disabilities of 40 percent or more as of a date set forth in the certi-
 2 fication, the veteran may *[obtain the exemption set forth in]* **claim the property tax credit allowable**
 3 **under** ORS 307.250 for each tax year following the date of certified disability.

4 (2) A veteran seeking *[to obtain an exemption]* **a property tax credit** under ORS 307.250 pursu-
 5 ant to this section must file a claim *[for exemption]* with the county assessor within six months of
 6 the date the federal government agency notifies the veteran of the certified disability.

7 (3) Notwithstanding subsection (1) of this section, a veteran may not *[receive an exemption]*
 8 **claim a property tax credit** under ORS 307.250 for a tax year that is more than three tax years
 9 prior to the tax year in which a claim is filed under this section.

10 (4) If the county assessor determines that a veteran who has filed a claim under this section
 11 meets the requirements of ORS 307.250 for a tax year prior to the current tax year, property taxes
 12 collected *[on the exempt amount]* for the prior tax year **in an amount determined under section**
 13 **8 of this 2025 Act**, together with interest at the rate set forth in ORS 311.812, shall be refunded to
 14 the veteran. Refunds shall be made from the refund reserve account established under ORS 311.807.

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

16 307.270. (1)(a) The *[exemption]* **property tax credit allowable** under ORS 307.250 applies to
 17 property **that** a veteran or surviving spouse **of a veteran** owns or has in possession under a re-
 18 corded contract of purchase. *[The exemption first applies to the homestead of the veteran or surviving*
 19 *spouse and then to the personal property of the veteran or surviving spouse.]*

20 (b) Property of the spouse of *[the]* **a veteran** is deemed the homestead of the veteran if the vet-
 21 eran and the spouse of the veteran are living together and occupying the property as their home-
 22 stead. *[When a veteran or surviving spouse applies for exemption on properties in two or more counties,*
 23 *the total amount of the exemption allowed in all counties may not exceed the maximum amount of ex-*
 24 *emption under ORS 307.250.]*

25 (c) **When a veteran or surviving spouse of a veteran applies for a property tax credit with**
 26 **respect to properties located in more than one county, the total amount of the credit allowed**
 27 **in all counties may not exceed the maximum amount of the credit determined under section**
 28 **8 of this 2025 Act.**

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

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

33 307.280. Allowance of *[the exemption,]* **a property tax credit** under ORS 307.250[,] in any year
 34 shall not have the effect of canceling or permitting the cancellation of any tax levied in any prior
 35 year.

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

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

39 **SECTION 15.** (1) **An initial year of partial exemption under ORS 307.250, as in effect im-**
 40 **mediately before the effective date of this 2025 Act, may not be granted for property tax**
 41 **years beginning on or after July 1, 2026.**

42 (2) Notwithstanding subsection (1) of this section, a homestead that is granted a partial
 43 exemption for the property tax year beginning on July 1, 2025, shall continue to receive the
 44 partial exemption for as long as the veteran or surviving spouse of a veteran and the
 45 homestead qualify for it under ORS 307.250 to 307.283, as in effect immediately before the

1 **effective date of this 2025 Act.**

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

3 307.370. (1) In aid of **disabled** veterans [*tax exemptions*], subject to the conditions prescribed in
4 ORS 307.370 to 307.385 [*and 308.490, there shall be exempt from taxation*], **a property tax credit, in**
5 **an amount computed under ORS 307.380, shall be allowed against the credit-eligible taxes as**
6 **defined in ORS 307.250 otherwise due on** the personal property and a portion of the real property
7 [*computed as provided in ORS 307.380,*] owned or being purchased under a contract by a corporation
8 described in ORS 307.375 [*which*] **that** is actually and exclusively occupied and used in the operation
9 of a nonprofit home for elderly persons.

10 (2) For the purposes of subsection (1) of this section, a corporation which is described in ORS
11 307.375 which has only a leasehold interest in a nonprofit home for elderly persons operated by it
12 is deemed to be a purchaser of the property if the operating lessee is specifically obligated by its
13 contract of lease to pay the ad valorem taxes on the real and personal property used in the opera-
14 tion of the home.

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

16 307.375. The [*exemption provided in*] **property tax credit allowable under** ORS 307.370 may be
17 permitted only [*as*] to a corporation organized and operated only for the purpose of furnishing per-
18 manent residential, recreational and social facilities primarily for elderly persons, that:

19 (1) Is organized not for profit, pursuant to ORS chapter 65 or any statute repealed by chapter
20 580, Oregon Laws 1959;

21 (2) Receives not less than 95 percent of its operating gross income, excluding any investment
22 income, solely from payments for living, medical, recreational and social services and facilities, paid
23 by or on behalf of elderly persons using the facilities of such corporation;

24 (3) Permits no part of its net earnings to inure to the benefit of any private stockholder or in-
25 dividual; and

26 (4) Provides in its articles or other governing instrument that, upon dissolution, the assets re-
27 maining after satisfying all lawful debts and liabilities shall be distributed to one or more corpo-
28 rations exempt from taxation under this chapter as corporations organized and operated exclusively
29 for religious, charitable, scientific, literary or educational purposes, or to the State of Oregon.

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

31 307.380. [*(1) Each corporation described in ORS 307.375, claiming the personal property tax ex-*
32 *emption pursuant to ORS 307.370, shall file with the county assessor, on forms supplied by the*
33 *assessor, a written claim therefor in duplicate on or before April 1 of each year in which the exemption*
34 *is claimed, except that when the property designated is acquired after March 1 and before July 1, the*
35 *claim for that year shall be filed within 30 days after the date of acquisition. If the claim for any year*
36 *is not filed within the time specified, the exemption shall not be allowed on the assessment roll for that*
37 *year. The claim shall be signed by the taxpayer subject to the penalties for false swearing.]*

38 (1)(a) **Each corporation described in ORS 307.375 claiming the property tax credit allow-**
39 **able under ORS 307.370 shall file with the county assessor, on forms supplied by the assessor,**
40 **a written claim for the credit in duplicate on or before April 1 of each year for which the**
41 **credit is claimed, except that when the property designated is acquired after March 1 and**
42 **before July 1, the claim for that year shall be filed within 30 days after the date of acqui-**
43 **sition.**

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

1 **(c) The claim shall be signed by the taxpayer subject to the penalties for false swearing**
2 **under ORS 162.075.**

3 (2)(a) Each corporation annually shall aid residents[,] who could qualify for [*property tax ex-*
4 *emptions pursuant to*] **the property tax credit allowable under** ORS 307.250 to 307.283[,] if the
5 living unit of such elderly person were the homestead of the person and owned in fee simple[,] to
6 prepare applications in duplicate for [*property tax exemptions*] **the property tax credit** on behalf
7 of the corporation, for the benefit of the elderly person as provided by ORS 307.370 to 307.385 [*and*
8 308.490]. The duplicate forms shall be completed and signed by the resident-applicant **subject to the**
9 **penalties for false swearing under ORS 162.075** and filed with the assessor on or before the date
10 required by law.

11 **[(b) The corporation shall determine the amount of assessed value that each resident of a nonprofit**
12 **home who would have qualified for an exemption under ORS 307.250 to 307.283 would have had ex-**
13 **empted if the living unit of such elderly person was the homestead of the person and owned in fee**
14 **simple. The amount of the property tax exemption provided for in ORS 307.370 to 307.385 and 308.490**
15 **and attributable to the veteran or surviving spouse of the veteran shall be the lesser of:]**

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

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

19 **(b) The corporation shall determine the amount of the property tax credit that each**
20 **resident of a nonprofit home who would have been allowed a credit under ORS 307.250 to**
21 **307.283 if the living unit of such elderly person was the homestead of the person and owned**
22 **in fee simple.**

23 (c) The assessor shall process each such application in the manner otherwise required under
24 ORS 307.250 to 307.283, except for the requirement of owning or purchasing a homestead. The total
25 of such [*exempt*] **property tax credit** amounts in each facility[, *together with the exemption on per-*
26 *sonal property,*] shall constitute the [*exemption*] **property tax credit** allowed the corporation.

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

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

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

33 307.385. [*Not later than December 15 of each year, a corporation that has received a real property*
34 *exemption for the current year under ORS 307.370 shall credit the account of each resident of a facility*
35 *whose living unit was taken into account in determining the real property exemption. The amount of*
36 *the credit must equal the amount of real property taxes that would have been assessed and collected*
37 *against the corporation for that portion of the assessed value of such living unit included in computing*
38 *the corporation's exemption. The county assessor shall furnish the corporation with the information*
39 *necessary for the corporation to make the computation.]*

40 **(1) Not later than December 15 of each year, a corporation that has received a property**
41 **tax credit for the current year under ORS 307.370 shall credit the account of each resident**
42 **of a facility whose living unit was taken into account in determining the corporation's**
43 **property tax credit in the amount determined under ORS 307.380 (2)(b).**

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

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

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

5 308.215. (1) The assessor shall prepare the assessment roll in the following form:

6 (a) Real property shall be listed in sequence by account number or by code area and account
7 numbers. For each parcel of real property, the assessor shall set down in the assessment roll ac-
8 cording to the best information the assessor can obtain:

9 (A) The name of the owner or owners and, if the assessor or tax collector is instructed in
10 writing by the owner or owners to send statements and notices relating to taxation to an agent or
11 representative, the name of such agent or representative.

12 (B) A description as required by ORS 308.240 with its code area and account numbers.

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

15 (D) The number of acres and parts of an acre, as nearly as can be ascertained, unless it is di-
16 vided into blocks and lots.

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

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

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

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

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

27 (b) For personal property, the assessor shall set down separately in the assessment roll, ac-
28 cording to the best information the assessor can obtain:

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

33 (B) The real market value of the personal property assessed, with a separate value for each
34 category of personal property, if any. The Department of Revenue, by rule, may establish such cat-
35 egories as appear useful or necessary for good tax administration.

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

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

39 (c) Real property and machinery and equipment listed on the assessment roll shall each bear a
40 distinctive designation so that machinery and equipment can be identified with the real property
41 upon which the machinery and equipment is located.

42 (d)(A) The listing of manufactured structures on the assessment roll, whether as real or personal
43 property, shall be done in a distinctive manner so that manufactured structures may be readily dis-
44 tinguished from other property.

45 (B) In lieu of listing manufactured structures on the assessment roll as real or personal prop-

1 erty, the assessor may list manufactured structures in a separate section of the assessment roll. In
2 any county where such separate listing of manufactured structures is made the manufactured
3 structures assessed as real property under ORS 308.875 shall bear a distinctive designation so that
4 it can be identified with the real property upon which it is located. In like manner the real property
5 upon which the manufactured structure is situated shall bear a distinctive designation so that it can
6 be identified with the manufactured structure. Where a homestead exemption is granted to a manu-
7 factured structure assessed as real property under ORS 308.875, which manufactured structure is
8 listed on a portion of the assessment roll separate from the real property, the exempt amount shall
9 apply first to the value of the manufactured structure, and any remainder shall apply to the parcel
10 of land upon which it is situated.

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

14 (a) Machinery and equipment.

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

16 (c) Industrial property, other than property appraised under ORS 306.126, and commercial
17 property.

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

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

21 310.160. (1) For purposes of determining whether the taxes on property to be imposed on any
22 property exceed the limits imposed by section 11b, Article XI of the Oregon Constitution, the unit
23 of property to be considered shall consist of all contiguous property within a single code area in the
24 county under common ownership that is used and appraised for a single integrated purpose, whether
25 or not that property is taxed as a single account or multiple accounts.

26 (2) In the case of real property that is specially assessed under ORS 308A.107, 308A.256,
27 308A.315, 321.257 to 321.390 or 358.480 to 358.545 or any other law, or partially exempt from tax
28 under [*ORS 307.250 or 307.370 or any other*] **any** law, the unit of property shall consist of all com-
29 ponents of land and improvements in a single operating unit.

30 (3) In the case of timeshare properties, the unit of property shall consist of all real property
31 components associated with all timeshare property within a timeshare plan as described in ORS
32 94.808.

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

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

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

41 310.165. (1) For any unit of property partially exempt from tax under [*ORS 307.250, 307.370 or*
42 *308.459 or any other*] **any** law, the assessor shall determine the maximum amount of taxes on prop-
43 erty to be imposed on such unit of property under ORS 310.150, by using the lesser of the real
44 market value or the taxable value of the unit of property after the exemption has been applied.

45 (2) For any unit of property that is specially assessed for ad valorem tax purposes under ORS

1 308A.050 to 308A.128, 308A.250 to 308A.259, 308A.315, 321.257 to 321.390, 321.700 to 321.754, 321.805
2 to 321.855 or 358.480 to 358.545 or section 1, chapter 94, Oregon Laws 2024, the assessor shall de-
3 termine the maximum amount of taxes on property to be imposed on such property under ORS
4 310.150 by using the lesser of the real market value or the specially assessed value of the property.

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

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

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

15 311.812. (1) Except as provided in subsection (2) of this section, interest may not be paid upon
16 any tax refunds made under ORS 311.806.

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

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

20 (b) A refund resulting from a written stipulation of the county assessor or the county tax col-
21 lector if the written stipulation constitutes a final determination that is not subject to appeal.

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

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

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

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

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

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

33 (3)(a) The interest provided by subsection (2) of this section shall be paid at the rate of one
34 percent per month, or fraction of a month, computed from the time the tax was paid or from the time
35 the first installment thereof was due, whichever is the later. If a discount is given at the time the
36 taxes are paid, interest shall be computed only on the net amount of taxes to be refunded. If any
37 portion of a refund described in subsection (2) of this section results from an assessment based on
38 inaccurate information contained in a report filed by a taxpayer, interest shall be computed on only
39 the portion of the refund that is not attributable to the inaccurate information contained in the
40 taxpayer report.

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

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