

CHAPTER 94

AN ACT

SB 1545

Relating to the assessment of rebuilt homesteads; creating new provisions; amending ORS 310.165; and prescribing an effective date.

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

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

(a) "Destroyed homestead" means a homestead that was destroyed by wildfire between September 1, 2020, and September 30, 2020, in a county included in the geographical area covered by a state of emergency declared in response to the wildfire.

(b) "Eligible property" means a rebuilt homestead to the extent that the total square footage of the rebuilt homestead does not exceed the total square footage of the destroyed homestead that the rebuilt homestead replaces.

(c) "Homestead" has the meaning given that term in ORS 311.666.

(d) "Rebuilt homestead" means a homestead that is constructed to replace a destroyed homestead by the same owner on the same lot.

(2)(a) The governing body of a county may elect by ordinance or resolution to allow eligible property to be assessed and taxed in accordance with this section.

(b) The ordinance or resolution may:

(A) Prescribe the methods by which the assessor administers this section, including, but not limited to, how claims are made; and

(B) Impose a fee on the owner of the rebuilt homestead for the actual cost to the county of recording the notice under subsection (8)(b) of this section.

(3)(a) Eligible property may be granted a specially assessed value that equals the real market value of the destroyed homestead as shown on the tax statement delivered pursuant to ORS 311.250 for the property tax year that began on July 1, 2020.

(b) For the first property tax year for which eligible property is assessed under this section, the eligible property's maximum specially assessed value shall equal the product of the specially assessed value multiplied by the ratio, not greater than 1.00, of the maximum assessed value the eligible property would have had for the applicable property tax year if it were not specially assessed to the real market value of the eligible property for the applicable property tax year.

(c) For each year after the first property tax year for which the eligible property is specially assessed under this section and before disqualification from the specially assessed value, the maximum specially assessed value shall equal the greater of 103 percent of the eligible property's assessed value from the prior prop-

erty tax year or 100 percent of the eligible property's maximum specially assessed value from the prior property tax year.

(d) Property within the same property tax account that is not eligible property shall be assessed and taxed as other property similarly situated is assessed and taxed.

(e) For purposes of this section, square footage shall be determined by the assessor of the county in which the rebuilt homestead is located.

(4) The assessed value of the eligible property for any property tax year during which the eligible property is granted a specially assessed value under this section shall be the least of:

(a) The eligible property's maximum specially assessed value as determined under subsection (3) of this section;

(b) The eligible property's real market value; or

(c) The eligible property's specially assessed value as determined under subsection (3) of this section.

(5) A specially assessed value may be claimed for property tax years beginning on or after July 1, 2021.

(6) A claim for a specially assessed value for property under this section must:

(a) Be in writing on a form supplied by the Department of Revenue;

(b) Describe both the destroyed homestead and the rebuilt homestead;

(c) Recite all facts establishing the eligibility of the rebuilt homestead for the specially assessed value; and

(d) Have attached:

(A) Any information or documentation required by the department; and

(B) A written declaration by the applicant, subject to penalties for false swearing, that the statements contained in the claim are true.

(7)(a)(A) A claim for an initial year of specially assessed value must be filed with the assessor of the county in which the rebuilt homestead is located after January 1 and on or before April 1 immediately preceding the first property tax year for which the specially assessed value is claimed.

(B) Notwithstanding subparagraph (A) of this paragraph, a claim for an initial year of specially assessed value for the property tax years beginning on July 1, 2021, July 1, 2022, July 1, 2023, or July 1, 2024, must be filed no later than December 31, 2025.

(b) For each subsequent property tax year for which the specially assessed value is claimed, the owner of the rebuilt homestead must file an attestation, under penalties for false swearing, that the owner will continue to occupy the rebuilt homestead as the owner's principal dwelling for the entirety of the property tax year.

(8)(a) If all or any part of the rebuilt homestead is determined to be eligible property, a timely claim for the specially assessed value has the effect of requiring the county assessor to determine the total amount of taxes due on the eligible property in accordance with this section until the property tax year determined under subsection (9) of this section.

(b) Each year that eligible property is granted a specially assessed value under this section, the county assessor shall enter on the assessment and tax roll that the eligible property is specially assessed and is subject to potential additional taxes by adding the notation "potential additional taxes."

(9) Eligible property shall be assessed and taxed as other property similarly situated is assessed and taxed beginning with the property tax year that immediately succeeds the earliest of:

(a) The date on which the rebuilt homestead is no longer occupied by the owner as a homestead, except when the owner is required to be absent by reason of health or active military service;

(b) The date on which the rebuilt homestead is rented to another person for any duration; or

(c) The date on which the rebuilt homestead is transferred to new ownership.

(10) If the grant of a specially assessed value under this section results in an overpayment of taxes paid, the amount of the overpayment shall be refunded in the manner prescribed in ORS 311.806.

(11) Any individual aggrieved by the denial of a claim for a specially assessed value under this section may appeal to the Oregon Tax Court in the manner provided under ORS 305.404 to 305.560.

(12) Property other than eligible property that is added to the property tax account of the rebuilt homestead during the period of specially assessed value shall be considered to be new property or new improvements to property under ORS 308.153 for the assessment year in which the added property is first taken into account.

(13) If the governing body of a county adopts an ordinance or resolution that amends or ends the specially assessed value in the county, eligible property that has been granted a specially assessed value under this section before the effective date of the ordinance or resolution shall continue to receive the specially assessed value

on the same terms in effect when the specially assessed value was first granted until a circumstance listed in subsection (9) of this section occurs.

(14) The specially assessed value available under this section is in addition to and not in lieu of any other property tax limit, exemption or partial exemption, special assessment or deferral.

(15) ORS 315.037 does not apply to this section.

SECTION 2. ORS 310.165 is amended to read:

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

(2) For any unit of property that is specially assessed for ad valorem tax purposes under ORS 308A.050 to 308A.128, 308A.250 to 308A.259, 308A.315, 321.257 to 321.390, 321.700 to 321.754, 321.805 to 321.855 or 358.480 to 358.545 or **section 1 of this 2024 Act**, the assessor shall determine the maximum amount of taxes on property to be imposed on such property under ORS 310.150 by using the lesser of the real market value or the specially assessed value of the property.

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

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

SECTION 3. This 2024 Act takes effect on the 91st day after the date on which the 2024 regular session of the Eighty-second Legislative Assembly adjourns sine die.

Approved by the Governor April 4, 2024

Filed in the office of Secretary of State April 4, 2024

Effective date June 6, 2024