76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 2543 - 2
CARRIER:

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EXHIBIT: 1
HOUSE REVENUE COMMITTEE
DATE: 4/27/2011 PAGES: 1
SUBMITTED BY: CHRISTINE BRONIAK

REVENUE: Revenue impact statement issued
FISCAL: Fiscal Impact Statement Issued — ***Preliminary***

Action:
Vote:
Yeas:
Nays:
Exc.:

Prepared By: Christine Broniak, Economist
Meeting Dates: 2/11, 3/4, 4/25

WHAT THE BILL DOES: Increases simple interest on deferred property taxes from 6% to 8% per annum too be paid at the end of the deferral period.

ISSUES DISCUSSED:
- Options for restoring program cash flow by reducing benefits; criteria based on housing value, amount of tax due
- Implications of these criteria based on location within a rural or urban area in the state

EFFECT OF COMMITTEE AMENDMENTS: Requires partipants in the program to have a recertification of income every two years rather than only upon entry into the program. Requires the real market values of homes of participants to be below a threshold ranging from 100 to 200 percent of the county median adjusted for how long the resident has been in their home. Requires that participants in the program be in their home for 5 years before participating in the program. Changes the interest that partipants pay from 6% simple to 6% compound on all new balances and participants. Removes allocation to Oregon Project Independence from the account of the program. Adds a 10-year sunset date on the program. Eliminates partial property tax payments for individuals whose income rises above the limit for participation. Eliminates opportunity for delayed collection for heirs. Qualifies the language that the counties will receive payment only subject to available funds. Requires participants to have fire and casualty insurance on property receiving deferral. Allows deliInquent balances to be collected from federal tax refunds. Removes the 90% lien cap on disabled accounts. Disqualifies anyone from the program with outstanding or cancelled liability. Adds collection measures against heirs or transferees.

BACKGROUND: The senior and disabled property tax deferral program extends the opportunity to defer property taxes for seniors and disabled persons with qualifying incomes. The incomes must be under a threshold equivalent to an annual household income of $32,000 in the first half of 2001. Over the period of the deferral, taxes accumulate as a lien against the tax-deferred property with an interest rate of 6%. The Department of Revenue makes payments annually to the county tax collectors for the amount of tax that would otherwise be due from properties in deferral. Account balances available to make the required payments is anticipated to be $15 million below the amount required in November 2011.