MEASURE: HB 2543
EXHIBIT: U
HOUSE REVENUE COMMITTEE
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	HB 2543 Update	
	Change	Revenue Impact
1	Check assets for initial entry into program. Establish a limit of $500,000 in assets for entry, mirror the following language: The combined net worth of the household must not exceed $500,000. Net worth means, after deducting outstanding liabilities, the sum of the current market value of all assets including real property, cash, savings accounts, bonds, and other investments; but not including the dwelling for which a property tax credit is sought, the cash value of any life insurance policies on the life of the homeowner, and tangible personal property.	Uncertain but positive in the near term, neutral in the long term –Median net worth for families with heads ages 55 to 64 years old is $253,700. Assume 15% of entrants are excluded by this criterion.
2	Require that participants recertify income every two years; change from a Federally Adjusted Gross Income test to a Household Income Test similar to the one that is required upon entry into the program	Uncertain but positive in the near term – This impact depends on the change of income in households over time. It would not be appropriate to estimate this from census or similar statistics, as a longitudinal study would be necessary to track the income of individuals as it changes over time.
3	Require that new applicants be in their homes for 5 years before participating	Positive in the near term, neutral in the long term – The American Housing and Community Survey has estimates of length of time in homes for seniors 65 and over. See Table 1 for revenue impact of this option that would decrease new applications by 5.8%
4	Apply a Real Market Value Test – Require that participants have a home with RMV less than a limit established as follows to be evaluated against the county median RMV for all residential improved properties: 5 years in home 100% of Median RMV 7 years in home 110% of Median RMV 9 years in home 120% of Median RMV 11 years in home 130% of Median	Positive in the near term, neutral in the long term – The American Housing and Community Survey has estimates of the length of time in homes for seniors 65 and over. The revenue impact of this option that would decrease new applications and existing participation in the program by 15% is in Table 1.

	RMV 13 years in home 140% of Median RMV 15 years in home 150% of Median RMV 17 years in home 160% of Median RMV 19 years in home 170% of Median RMV 21 years in home 180% of Median RMV 23 years in home 190% of Median RMV 25 years in home 200% of Median RMV Allow for medical leave to count as time in home	
5	Change from 6% simple to 6% compound interest rate for new applicants and any property tax payments going forward	Positive in both the near and long terms. See Table 1 for the revenue impact of this change.
6	Put a 10-year sunset date on the entire program	Policy change with no revenue impact in the immediate future, but positive revenue impact in 10 years
7	Disqualify participants for a reverse mortgage. Currently, a senior who gets a reverse mortgage has their outstanding deferral debt paid off by the mortgage company and subsequently reapplies for the program.	Positive in the near term, neutral in the long term.
8	Remove provision that individuals with income over the limit have partial property tax payment through the program	Revenue Impact – Positive in the near term, neutral in the long term.
9	Remove Oregon Project Independence allocation from revolving account – Currently, if, on Nov 30th of each year, the amount in the revolving account exceeds $5 million or 35 percent of the total amount needed to make payments to counties for that year, the money in the account exceeding the greater of the two amounts amount is allocated to Oregon Project Independence	Revenue Impact – Positive if account balances are above 1.35 x payments necessary for that year or $5 million. This becomes an issue when cash fund balances move above 0.

10	Close Special Assessment Program to new participants	Minimal, but positive in the near term, neutral in the long term. – The special assessment program has 36 active participants and distributes about $28,000/year.
11	Get priority for the liens for the senior deferral program to be the same as tax liens (in position ahead of mortgage companies in case of default)	Revenue Impact – Positive, but uncertain. Any reduction in defaults will increase program revenues. Losses from default have been limited to date, but this would protect against losses in the future.
12	Eliminate Opportunity for Delayed Collection for heirs in ORS 311.695	Revenue Impact – Minimal, but positive in the near term. This requirement would bring revenues in more quickly where there is currently a lag.
13	Qualify the payment language by adding "subject to available funds" in ORS 311.676	Revenue Impact – None
14	Add federal refund offset ability against subsequent owners ORS 305.612	Revenue Impact – Minimal but positive
15	Add collection measures against heirs to include transferee owner or trust liability (as in ORS 314.310)	Revenue Impact – Minimal but positive
16	Allow foreclosure costs to be recaptured from proceeds (ORS 311.679(6)	Revenue Impact – Minimal but positive
17	Remove 90% lien cap on disabled accounts (ORS 311.679(10))	Revenue Impact – Minimal but positive
18	Make ineligible anyone with outstanding deferral liability or cancelled liability	Revenue Impact – Minimal but positive in the near term, neutral in the long term, unless individuals repeat the delinquency to the program.
19	Allow program to disqualify accounts from payment up until September for ineligible individuals ORS 311.686(1)	Revenue Impact – Minimal, but positive in the near term, neutral in the long term
20	Require fire and casualty insurance on the homestead	Revenue Impact – Positive, would protect against cancelled liability in the event of destruction of the property.
21	Give Department of Revenue Collection Authority	
22	Cap new growth of participants at 5%	Positive, brings account balance above 0 in 2020

Table 1 - Revenue Impacts of Options, Separate and Combined, Addition to Account Balance in Relevant Year

	Change Interest from 6% Simple to 6% Compound	Require that Applicants Be in Homes for 5 Years to Participate	Limit on Real Market Value to County Median	Projected Cash Flow of Program Combining these Revenue Impacts
2011	0	0	0	-16,085,210
2012	6,185	154,849	3,934,581	-20,745,890
2013	15,222	475,371	4,394,931	-24,153,101
2014	41,361	729,986	4,664,638	-25,168,105
2015	89,669	942,929	4,817,468	-21,855,083
2016	170,391	1,111,482	4,896,406	-15,259,070