Senior Property Tax Deferral Program: House Bill 2510 - 1

Essential Information

- The Senior & Disabled Property Tax Deferral Program was intended to help **poor Oregonians remain in their homes by allowing them to defer property taxes.** The taxes are paid back, with interest, after the home sells or the property owner moves or dies.
- The 2011 Legislature **set stricter qualification criteria that dramatically cut the number of people enrolled in the program** (down from 10,500 to 5,000) after the Dept. of Revenue reported they did not have the $20 million owed for the 2010-2011 tax year.
- Changes included setting stricter asset limits and income criteria, **including disqualifying those with reverse mortgages or homeowners who hadn't lived in their home for at least five years.**
- Earlier this month, the legislature approved House Bill 2489-A, which **grandfathered about 1,500 low-income seniors and disabled residents** into the Senior Property Tax Deferral Program who had been disqualified solely due to a reverse mortgage.
- Keeping low-income seniors and Oregonians with disabilities in their homes is in our state's best economic interest, and while HB 2489-A provided relief to many Oregonians, **there is still an estimated 3,000 participants who had been disqualified from the program after the 2011 changes** went into effect.

The proposed amendment to House Bill 2510 would:

- Provide the opportunity for individuals with inactive deferral accounts to be grandfathered into the program, and have property taxes deferred starting tax year 2014 if they had a history of program participation and had been disqualified for ***either or both*** of the following reasons:
  - If by 2014, the homeowner had not occupied the homestead for at least 5 years;
  - If the homeowner had taken out a reverse mortgage
- Only property taxes for tax years following acceptance into the program will be deferred. Unpaid property taxes owed prior to acceptance into the program remain delinquent, but not subject to foreclosure.
- The amendment adds an estimated 653 participants to the program (the total number of homesteads allowed in year 1 is limited to 700, for each tax year beginning after July 1, 2014, the number reactivated for deferral will be the total number reactivated for the immediately preceding tax year multiplied by 105 percent until all homesteads have been reactivated or deemed ineligible).

Balances ($ Millions)							
	2012	2013	2014	2015	2016	2017	2018
Payments	13.7	14.8	15.2	15.0	15.0	15.1	15.3
Repayments	21.2	17.5	18.5	17.9	17.1	16.6	16.2
Administrative Costs	0.9	0.7	0.7	0.8	0.8	0.8	0.8
November 16th Balance	1.4	3.3	5.9	7.9	9.3	10.0	10.0
<< Add Back New Participants			700	735	630	540	463
<< New Participant Cost			1.5	1.6	1.4	1.2	1.1
<< New Participant Repayment						0.7	1.1
<< Net Balance with New Participants	1.4	3.3	4.4	4.9	4.9	5.0	5.1

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