REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Eighth Oregon Legislative Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 2083 - 2
Revenue Area: Senior/Disabled Deferral
Economist: Kyle Easton
Date: 4/30/2015

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Creates exception to five-year ownership requirement of homestead for deferral, if claimants for deferral moved to homestead from a previous one that met all the requirements, sell existing qualifying homestead within one year of purchasing new home, satisfy lien for deferral on existing home and owe no more than 80 percent of purchase price of new application homestead. Requires homestead to be insured for fire and other casualty. Allows Department of Revenue (DOR) to purchase insurance for uninsured homestead and add cost of insurance coverage to lien. Increases county median real market value qualification limits for taxpayers that have continuously owned and lived in homestead at least 21 years. Requires Department of Revenue to electronically notify an office of Aging and Disability Resource Connection or seniors and people with disabilities division of the Department of Human Services if recertification is not received with 35 days after sending notification to taxpayer. Changes apply to property tax years beginning on or after July 1, 2016.

Revenue Impact (in $Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Change in Senior & Disabled Deferral Revolving Account Balance	0	(.34)	(.34)	(.86)	(1.03)

Impact Explanation:

The measure as amended makes four primary changes to the Senior and Disabled deferral program. Three of the changes are expected to impact the Senior and Disabled Deferral revolving account. The changes relating to the five year ownership requirement, increase in RMV limits for certain property owners, and increased outreach of DOR and other state agencies during recertification process are expected to increase participation in the deferral program. An increase in deferral participation has two effects, the first is to increase tax deferral payments made by DOR on behalf of participants followed by a period of increased repayments reflective of the increased deferral payments. In the short run, tax deferral payments out of the revolving account are greater than increased repayments received, causing a negative impact upon the deferral account balance.

The impact upon the deferral revolving account balance resulting from changes in DOR’s ability to purchase fire and other casualty insurance is expected to be minimal.

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒

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