Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 2083 A**
STAFF MEASURE SUMMARY **CARRIER: Rep. Vega Pederson**
House Committee On Revenue

Fiscal: Has minimal fiscal impact
Revenue: Revenue impact issued

Action Date: 05/05/15
Action: Do Pass As Amended And Be Printed Engrossed.
Meeting Dates: 03/12, 04/21, 05/05
Vote:
Yeas**:** 8 **-** Barnhart, Bentz, Davis, Lininger, Read, Smith Warner, Vega Pederson, Whitsett
Exc**:** 1 **-** Johnson

Prepared By: Kyle Easton, Economist

WHAT THE MEASURE DOES:
Measure as amended creates exception to five-year ownership requirement for homestead of claimant for deferral if claimants for deferral moved to homestead from a homestead that met all the homestead 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 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. Conforms new language with existing statutes. Changes apply to property tax years beginning on or after July 1, 2016.

ISSUES DISCUSSED:

- People aging in their home
- County outreach following previous program changes - variation of the outreach by county
- Working with local aging and disability groups in coordination notification process for recertification
- Effect changes to program have/had upon revolving account
- Accuracy of previous Department of Revenue forecasts
- Policy holder of insurance coverage when insurance purchased by Department of Revenue
- Collection process of insurance if insurance claim is filed
- Income and net worth requirements
- Existing law five year requirement for deferring on a subsequent property
- Equity protections for Department of Revenue when deferral participant pays off previous deferral homestead and subsequently begins deferring on new homestead.

EFFECT OF COMMITTEE AMENDMENT:
Replaces content of bill.

BACKGROUND:
The senior deferral program was enacted in 1963. Homeowners age 62 and older may defer payment of property taxes until the owner dies or sells the property. The State pays the tax and obtains a lien on the property for the tax and accrued interest at the rate of 6% per year. Beginning in fiscal year 2007-08 a combination of factors began to

occur that would reverse the cash flow of the deferral account. In response to the cash flow issues, multiple changes were made to the deferral programs. Changes to the program were made in the following bills: HB 3199 (2009), HB 2543 (2011), HB 4039 (2012), HBs 2510, 2489 (2013), and HB 4148 (2014).

This summary has not been adopted or officially endorsed by action of the Committee.