Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: HB 2083 A**
STAFF MEASURE SUMMARY **CARRIER: Sen. Riley**
Senate Committee On Finance and Revenue

Fiscal: Has minimal fiscal impact
Revenue: Revenue impact issued

Action Date: 05/20/15
Action: Do Pass.
Meeting Dates: 05/20
Vote:
Yeas**:** 5 **-** Baertschiger Jr, Boquist, Edwards, Hass, Riley
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:

- Impact of private loans that have lien on property
- Measure's changes reflective of policy changes represented in other bills relating to senior / disabled deferral program.

EFFECT OF COMMITTEE AMENDMENT:
No amendment.

BACKGROUND:
The senior deferral program was enacted in 1963, the 1999 Legislature made the program available to qualified disabled homeowners. Homeowners age 62 and older, and qualifying disabled homeowners, 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).