

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

Bill Number:	HB 2587 - A
Revenue Area:	Property Tax
Economist:	Jaime McGovern
Date:	05/07/2019

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

For purposes of homestead property tax deferral program for seniors and persons with disabilities, changes prohibition on homestead with outstanding deferred property taxes from being pledged as security for reverse mortgage to prohibition on homestead that is pledged as security for reverse mortgage from being granted deferral under program.

Revenue Impact (in \$Millions):

There is no direct impact as this is not a tax expenditure.

Impact Explanation:

In the deferral program, property taxes of participants are paid by the Department of Revenue to the local governments on behalf of the property owner, and then collected upon liquidation of the property. It is unknown how many homeowners with reverse mortgages might apply were the legislation to pass. However, on average, the Department of Revenue pays approximately \$2,600 per account currently, and there are currently 750 accounts in the program with pre-2011 reverse mortgages. The Department of Revenue estimates that there are approximately 4,000 individuals with properties with reverse mortgages between 2011-2017 that may qualify for the senior deferral program.

Creates, Extends, or Expands Tax Expenditure: Yes No