

Disabled and Senior Citizens' Property Tax Deferral Program



House Committee On Human Services

State of Oregon

Legislative Revenue Office

March 08, 2021



Program Description

- Not a property tax exemption
- Department of Revenue administers a dedicated fund and pays property taxes on behalf of property owners that qualify in the program
- Department places lien on property that functions like a reverse mortgage





Outreach and Engagement

- The Department provides annual booklets to Counties
- The program information is available on the Department website
- The Department works closely with Aging and Disability Resource Connection
- The Department is responsive to non-profits who assist homeowners
- The Department works with the Oregon Homeownership Stabilization Initiative
- The Department has presented at the Department of Veterans' Affairs





Terms

- Must apply between Jan 1 and April 15
- Simple 6% interest accrues annually





Communication

- Each year, participants are mailed a notice on Dec 15th which provides:
 - Total balance owed
 - A 'Do Not Pay' notice with the current property tax amount
 - Accrued interest
- The property tax statement in October also notifies the participants that the Department is paying their taxes on their behalf





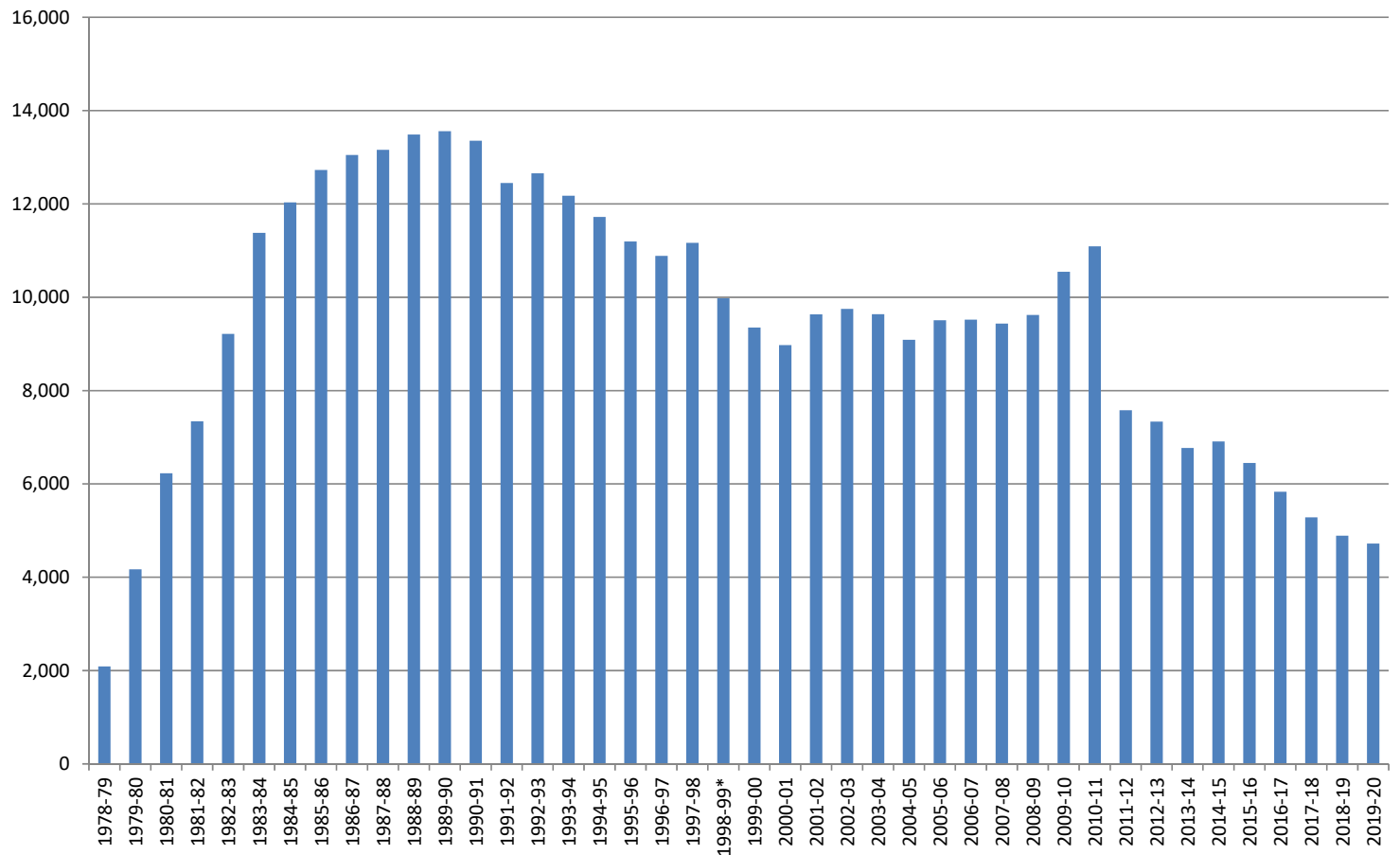
Eligibility Requirements and Terms

- 62 years and up or eligible to receive Social Security disability benefits
- Owned and lived in your home for the past 5 years or downsized from property in the program
- Have a net worth less than \$500,000, not including the home in question
- Household income below \$46,500
- Home must be below county determined value*
- You do not have a reverse mortgage**





Total Accounts Paid by FY



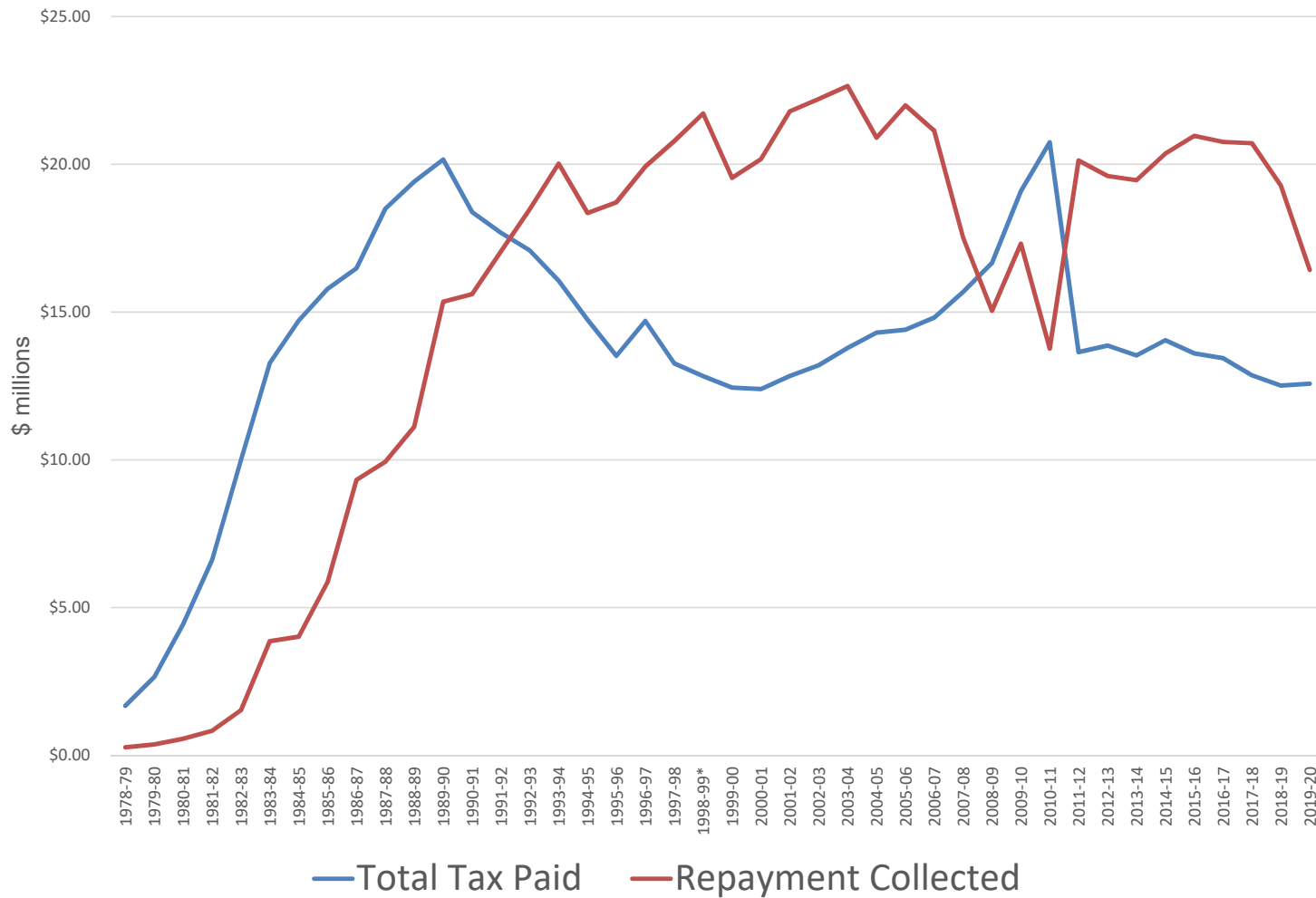
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Total Tax Paid and Repayments



3/8/2021

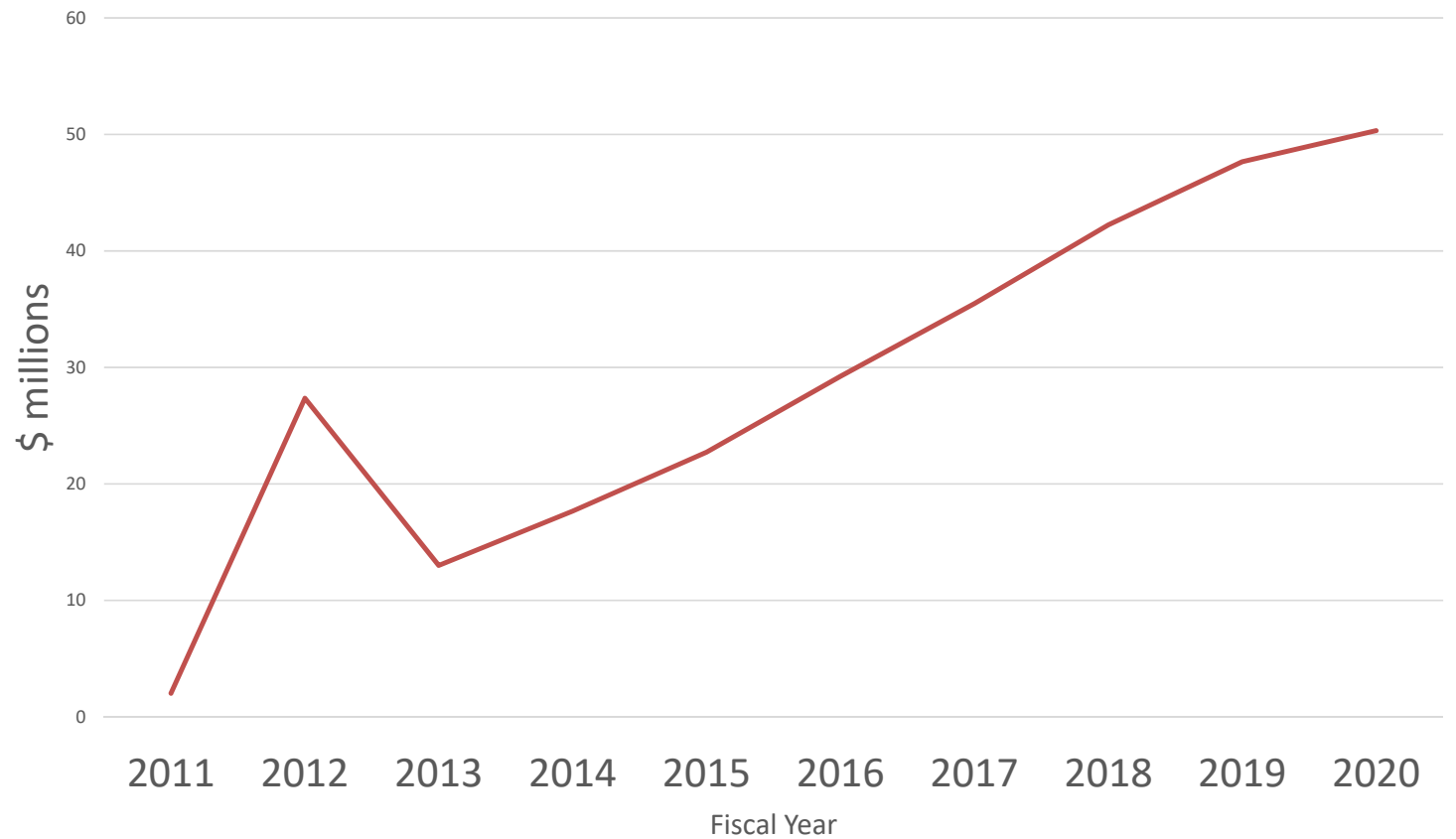
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Deferral Fund Account Balance

3/8/2021



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Homestead Valuation

ALLOWABLE RMV BY COUNTY - Threshold and Max (25 years +)					
Baker	Benton	Clackamas	Clatsop	Columbia	Coos
\$ 128,050	\$ 349,980	\$ 425,969	\$ 327,398	\$ 317,375	\$ 210,280
\$ 320,125	\$ 874,950	\$ 1,064,923	\$ 818,495	\$ 793,438	\$ 525,700
Crook	Curry	Deschutes	Douglas	Gilliam	Grant
\$ 253,530	\$ 290,400	\$ 390,220	\$ 178,810	\$ 88,590	\$ 106,610
\$ 633,825	\$ 726,000	\$ 975,550	\$ 447,025	\$ 221,475	\$ 266,525
Harney	Hood River	Jackson	Jefferson	Josephine	Klamath
\$ 91,250	\$ 387,765	\$ 298,970	\$ 255,630	\$ 264,330	\$ 157,720
\$ 228,125	\$ 969,413	\$ 747,425	\$ 639,075	\$ 660,825	\$ 394,300
Lake	Lane	Lincoln	Linn	Malheur	Marion
\$ 81,135	\$ 306,304	\$ 298,401	\$ 260,725	\$ 129,650	\$ 292,500
\$ 202,838	\$ 765,760	\$ 746,003	\$ 651,813	\$ 324,125	\$ 731,250
Morrow	Multnomah	Polk	Sherman	Tillamook	Umatilla
\$ 138,360	\$ 416,265	\$ 307,290	\$ 117,710	\$ 321,110	\$ 162,059
\$ 345,900	\$ 1,040,663	\$ 768,225	\$ 294,275	\$ 802,775	\$ 405,148
Union	Wallowa	Wasco	Washington	Wheeler	Yamhill
\$ 170,280	\$ 195,160	\$ 242,740	\$ 424,495	\$ 61,508	\$ 325,837
\$ 425,700	\$ 487,900	\$ 606,850	\$ 1,061,238	\$ 153,770	\$ 814,593

• <https://www.oregon.gov/dor/programs/property/Documents/RMV-tables.xlsx>



For More Information

- ▶ Legislative Revenue Office
- ▶ 900 Court St. NE, Room 160
 - ▶ Salem, OR 97301
 - ▶ 503-986-1266
- ▶ <https://www.oregonlegislature.gov/lro>





Operation Project Independence

- Enacted in 2005 to collect surplus
- Transfers to OPI ended in 2011 with HB 2543
- 2011 was the last time that money was used from the General Fund to subsidize the Senior Deferral Fund





Fund Management

- The Fund is self contained and self sustaining
- The Fund is managed by the Oregon State Treasury



Reverse Mortgages

- Program allows reverse mortgages
 - executed prior to 2011 or
 - HB 2587 - if you acquired a mortgage between 2011-2016 and have 40% equity or more in your home