

HB 2634 A STAFF MEASURE SUMMARY

Carrier: Rep. Drazan

House Committee On Revenue**Action Date:** 06/02/21**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 7-0-0-0**Yeas:** 7 - Levy, Marsh, Nathanson, Pham, Reschke, Smith G, Valderrama**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Jaime McGovern, Economist**Meeting Dates:** 2/23, 6/2**WHAT THE MEASURE DOES:**

Allows surviving spouse or disabled heir of individual whose homestead was granted deferral under homestead property tax deferral program to continue deferral without having owned or occupied homestead for five years. Sets an alternative maximum allowable real market value of \$250,000 on participating property for program eligibility. Adjusts allowable income cap by the All Urban Western Consumer Price Index. Allows for late filing with capped fee. Entitles Department of Revenue to any interest that accrued prior to August 15 of the year in which the deferred taxes first became delinquent upon foreclosure of property. Extends sunset for deferral program to 2032. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Individual circumstances in deferral program.
- Difference between program and tax exemption.
- Current program requirements.
- Living situation of participants and family.
- Deferral program metrics.

EFFECT OF AMENDMENT:

Sets an alternative maximum allowable real market value of \$250,000 on participating property for program eligibility. Adjusts allowable income cap by the All Urban Western Consumer Price Index. Allows for late filing with capped fee. Entitles Department of Revenue to any interest that accrued prior to August 15 of the year in which the deferred taxes first became delinquent upon foreclosure of property.

BACKGROUND:

The Disabled and Senior Citizens' Property Tax Deferral Program is administered by the Department of Revenue. The Department pays the property tax on behalf of participants to the county assessor, and maintains a lien on the homestead property. The Deferral fund is self sustaining and administered by the Oregon Treasury. Repayments through collection of the lien fund the program when a participant exits the program or passes away and the property is sold. Currently the fund balance is growing and sits at approximately \$50 million dollars and the program serves approximately 4,700 participants. The program currently has a 5 year occupancy requirement for participation eligibility.