

A-Engrossed
House Bill 2634

Ordered by the House June 9
Including House Amendments dated June 9

Sponsored by Representative DRAZAN; Representatives LEVY, OWENS, RESCHKE, ZIKA (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

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. **Creates, for purposes of eligibility of property for homestead property tax deferral program, minimum cap of \$250,000 for maximum allowable real market value of homestead. Directs Department of Revenue to adjust minimum cap for maximum allowable real market value annually according to change in Consumer Price Index. Allows claim for deferral to be filed late, with payment of fee. Modifies procedure for allowing claims for deferral in excess of maximum allowable number of claims for property tax year. Adjusts payment of interest on delinquent deferred taxes between county and department.**

Extends sunset for deferral program.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the homestead property tax deferral program; creating new provisions; amending ORS
3 311.666, 311.668, 311.670, 311.672, 311.688, 311.693 and 311.694 and section 24, chapter 723,
4 Oregon Laws 2011; and prescribing an effective date.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 311.666 is amended to read:

7 311.666. As used in ORS 311.666 to 311.701:

8 (1) **“Consumer Price Index for All Urban Consumers, West Region” means the Consumer**
9 **Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau**
10 **of Labor Statistics of the United States Department of Labor.**

11 [(1)] (2) **“County median RMV” means the median real market value entered on the last certified**
12 **assessment and tax roll for all residential improved properties in the county in which a homestead**
13 **is located that are classified as 1-0-1 pursuant to the rule adopted by the Department of Revenue**
14 **under ORS 308.215.**

15 (3) **“Disabled heir” means a person with a disability who is:**

16 (a) **An heir, legatee, devisee or distributee of a deceased individual whose homestead has**
17 **been granted deferral under ORS 311.666 to 311.701;**

18 (b) **A grantee of the homestead under a transfer on death deed granted by the deceased**
19 **individual; or**

20 (c) **A grantee of the homestead under a deed granted by the trustee of a trust established**
21 **by the deceased individual.**

22 [(2)] (4) **“Homestead” means the owner occupied principal dwelling, either real or personal**
23 **property, owned by the taxpayer and the tax lot upon which it is located. If the homestead is located**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 in a multiunit building, the homestead is the portion of the building actually used as the principal
2 dwelling and its percentage of the value of the common elements and of the value of the tax lot upon
3 which it is built. The percentage is the value of the unit consisting of the homestead compared to
4 the total value of the building exclusive of the common elements, if any.

5 [(3)] (5) "Household income" means the aggregate income of the taxpayer and the spouse of the
6 taxpayer who occupy the homestead, that was received during the calendar year for which the claim
7 is filed. "Household income" includes payments received by the taxpayer or the spouse of the tax-
8 payer under the federal Social Security Act for the benefit of a minor child or minor children who
9 occupy the homestead.

10 [(4)] (6) "Income" means "adjusted gross income" as defined in the federal Internal Revenue
11 Code, as defined in ORS 305.842, relating to the measurement of taxable income of individuals, es-
12 tates and trusts, with the following modifications:

13 (a) There shall be added to adjusted gross income the following items of otherwise exempt in-
14 come:

15 (A) The gross amount of any otherwise exempt pension less return of investment, if any.

16 (B) Child support received by the taxpayer.

17 (C) Inheritances.

18 (D) Gifts and grants, the sum of which are in excess of \$500 per year.

19 (E) Amounts received by a taxpayer or spouse of a taxpayer for support from a parent who is
20 not a member of the taxpayer's household.

21 (F) Life insurance proceeds.

22 (G) Accident and health insurance proceeds, except reimbursement of incurred medical expenses.

23 (H) Personal injury damages.

24 (I) Sick pay that is not included in federal adjusted gross income.

25 (J) Strike benefits excluded from federal gross income.

26 (K) Worker's compensation, except for reimbursement of medical expense.

27 (L) Military pay and benefits.

28 (M) Veteran's benefits.

29 (N) Payments received under the federal Social Security Act that are excluded from federal
30 gross income.

31 (O) Welfare payments, except as follows:

32 (i) Payments for medical care, drugs and medical supplies, if the payments are not made directly
33 to the welfare recipient;

34 (ii) In-home services authorized and approved by the Department of Human Services; and

35 (iii) Direct or indirect reimbursement of expenses paid or incurred for participation in work or
36 training programs.

37 (P) Nontaxable dividends.

38 (Q) Nontaxable interest not included in federal adjusted gross income.

39 (R) Rental allowance paid to a minister that is excluded from federal gross income.

40 (S) Income from sources without the United States that is excluded from federal gross income.

41 (b) Adjusted gross income shall be increased due to the disallowance of the following deductions:

42 (A) The amount of the net loss, in excess of \$1,000, from all dispositions of tangible or intangible
43 properties.

44 (B) The amount of the net loss, in excess of \$1,000, from the operation of a farm or farms.

45 (C) The amount of the net loss, in excess of \$1,000, from all operations of a trade or business,

1 profession or other activity entered into for the production or collection of income.

2 (D) The amount of the net loss, in excess of \$1,000, from tangible or intangible property held for
3 the production of rents, royalties or other income.

4 (E) The amount of any net operating loss carryovers or carrybacks included in federal adjusted
5 gross income.

6 (F) The amount, in excess of \$5,000, of the combined deductions or other allowances for depre-
7 ciation, amortization or depletion.

8 (G) The amount added or subtracted, as required within the context of this section, for adjust-
9 ments made under ORS 316.680 (2)(d) and 316.707 to 316.737.

10 (c) "Income" does not include the following:

11 (A) Any governmental grant that must be used by the taxpayer for rehabilitation of the home-
12 stead of the taxpayer.

13 (B) Any refund of Oregon personal income taxes that were imposed under ORS chapter 316.

14 [(5)(a)] (7)(a) "Net worth" means the sum of the current market value of all assets, including
15 real property, cash, savings accounts, bonds and other investments, after deducting outstanding li-
16 abilities.

17 (b) "Net worth" does not include the value of a homestead for which deferral is claimed under
18 ORS 311.666 to 311.701, the cash value of life insurance policies on the life of a taxpayer or tangible
19 personal property owned by a taxpayer.

20 [(6)] (8) "Person with a disability" means an individual who has been determined to be eligible
21 to receive or who is receiving federal Social Security benefits due to disability or blindness, in-
22 cluding an individual who is receiving Social Security survivor benefits in lieu of Social Security
23 benefits due to disability or blindness.

24 [(7)] (9) "Tax-deferred property" means the property upon which taxes are deferred under ORS
25 311.666 to 311.701.

26 [(8)] (10) "Taxes" or "property taxes" means ad valorem taxes, assessments, fees and charges
27 entered on the assessment and tax roll.

28 [(9)] (11) "Taxpayer" means an individual who has filed, as an individual or jointly, a claim for
29 deferral under ORS 311.666 to 311.701.

30 [(10)(a)] (12)(a) "Transferee" means, without limitation, an heir, legatee, devisee, distributee of
31 an estate of a deceased individual, the assignee or donee of an insolvent individual or a person
32 acting in a fiduciary capacity on behalf of a transferee.

33 (b) "Transferee" does not mean a bona fide purchaser for value.

34 [(11)] (13) "U.S. City Average Consumer Price Index" means the U.S. City Average Consumer
35 Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of
36 the United States Department of Labor.

37 **SECTION 2.** ORS 311.668 is amended to read:

38 311.668. (1)(a) A claim to defer the property taxes on a homestead that is eligible for deferral
39 under ORS 311.670 may be filed with the county assessor in the manner prescribed under ORS
40 311.672 by:

41 (A) An individual who is, or two or more individuals filing a claim jointly each of whom is, 62
42 years of age or older on or before April 15 of the calendar year in which the claim is filed; or

43 (B) An individual who is a person with a disability as of April 15 of the calendar year in which
44 the claim is filed, regardless of **the age of the individual or** the age or disability of other individ-
45 uals occupying the homestead.

1 (b) If a guardian or conservator has been appointed for an individual otherwise eligible to claim
2 deferral of taxes under this section, the guardian or conservator may act for the individual in com-
3 plying with the provisions of ORS 311.666 to 311.701.

4 (c) If a trustee of an inter vivos trust that was created by and is revocable by an individual,
5 who is both the trustor and a beneficiary of the trust and who is otherwise eligible to claim deferral
6 of taxes under this section, owns the fee simple estate under a recorded instrument of sale, the
7 trustee may act for the individual in complying with the provisions of ORS 311.666 to 311.701.

8 (d) This section may not be construed to require the spouse of an individual to file a claim
9 jointly with the individual even though the spouse may be eligible to claim the deferral jointly with
10 the individual.

11 (2)(a) Notwithstanding subsection (1) of this section, deferral may not be granted under ORS
12 311.666 to 311.701 with respect to a claim filed by individuals who together have, for the calendar
13 year immediately preceding the calendar year in which the claim for deferral is filed:

14 (A) Household income of \$32,000 or more; or

15 (B) Net worth of \$500,000 or more.

16 (b) For each tax year beginning on or after July 1, 2002, the Department of Revenue shall re-
17 compute the maximum household income under this subsection as follows:

18 (A) Divide the average [*U.S. City Average Consumer Price Index*] **Consumer Price Index for**
19 **All Urban Consumers, West Region**, for the first six months of the [*current*] calendar year **im-**
20 **mediately preceding the calendar year in which the tax year begins** by the average U.S. City
21 Average Consumer Price Index for the first six months of 2001.

22 (B) Recompute the maximum household income by multiplying \$32,000 by the appropriate in-
23 dexing factor determined under subparagraph (A) of this paragraph.

24 (c) Any change in the maximum household income determined under paragraph (b) of this sub-
25 section shall be rounded to the nearest multiple of \$500.

26 (3)(a) Notwithstanding subsection (1) of this section, deferral may not be granted under ORS
27 311.666 to 311.701 with respect to a claim if, at the time the claim is filed, property taxes imposed
28 on the homestead of any individual filing the claim have been deferred and are delinquent or have
29 been canceled.

30 **(b) This subsection does not apply to the claim by a surviving spouse or disabled heir to**
31 **continue deferral under ORS 311.688.**

32 **SECTION 3.** ORS 311.670 is amended to read:

33 311.670. (1) Property is not eligible for tax deferral under ORS 311.666 to 311.701 unless, at the
34 time a claim is filed and during the period for which deferral is claimed, the property meets the
35 requirements of this section.

36 (2)(a) The property for which the claim is filed must have been the homestead of the individual
37 or individuals who file the claim for deferral for at least five years preceding April 15 of the year
38 in which the claim is filed[, *except for an individual required to be absent from the homestead by*
39 *reason of health*].

40 (b) The five-year requirement under paragraph (a) of this subsection does not apply to a home-
41 stead that meets all other requirements of this section, if the individual or individuals filing the
42 claim for deferral:

43 **(A) Are required to be absent from the homestead by reason of health;**

44 [(A)] **(B)(i)** Moved to the homestead for which the claim is filed from a homestead that was
45 granted deferral under ORS 311.666 to 311.701 and was of greater real market value than the

1 homestead for which the claim is filed;

2 [(B)] (ii) Sell the prior homestead within one year of purchasing the homestead for which the
3 claim is filed;

4 [(C)] (iii) Satisfy any lien created under ORS 311.673 or 311.679 and attached to the prior
5 homestead; and

6 [(D)] (iv) Provide a written attestation that the individual or individuals incurred debt for not
7 more than 80 percent of the purchase price of the homestead for which the claim is filed[.]; **or**

8 **(C) Are a surviving spouse or disabled heir claiming continuation of deferral under ORS**
9 **311.688.**

10 (3) The individual claiming the deferral, individually or jointly, must own the fee simple estate
11 under a recorded instrument of sale, or two or more individuals together must own the fee simple
12 estate with rights of survivorship under a recorded instrument of sale if all owners live in the
13 property and if all owners apply for the deferral jointly.

14 (4)(a) The homestead must be insured for fire and other casualty.

15 (b) If the homestead meets all other requirements of this section and is insurable for fire and
16 other casualty but not insured, the Department of Revenue may purchase insurance for the home-
17 stead and add the cost of the insurance coverage to a lien created under ORS 311.679.

18 (5) There may be no prohibition to the deferral of property taxes contained in any provision of
19 federal law, rule or regulation applicable to a mortgage, trust deed, land sale contract or conditional
20 sale contract for which the homestead is security.

21 (6) A homestead is not eligible for deferral under ORS 311.666 to 311.701 [if] **unless** the real
22 market value of the homestead entered on the [last] certified assessment and tax roll **for the**
23 **property tax year immediately preceding the property tax year for which the taxes will be**
24 **deferred** is [equal to or greater] **less than the greater of \$250,000 or:**

25 (a) 100 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
26 the taxpayers have continuously owned and [lived in] **occupied** the homestead less than seven years.

27 (b) 110 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
28 the taxpayers have continuously owned and [lived in] **occupied** the homestead at least seven years
29 but less than nine years.

30 (c) 120 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
31 the taxpayers have continuously owned and [lived in] **occupied** the homestead at least nine years
32 but less than 11 years.

33 (d) 130 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
34 the taxpayers have continuously owned and [lived in] **occupied** the homestead at least 11 years but
35 less than 13 years.

36 (e) 140 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
37 the taxpayers have continuously owned and [lived in] **occupied** the homestead at least 13 years but
38 less than 15 years.

39 (f) 150 percent of county median RMV if, as of April 15 of the year in which a claim is filed, the
40 taxpayers have continuously owned and [lived in] **occupied** the homestead at least 15 years but less
41 than 17 years.

42 (g) 160 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
43 the taxpayers have continuously owned and [lived in] **occupied** the homestead at least 17 years but
44 less than 19 years.

45 (h) 170 percent of county median RMV if, as of April 15 of the year in which a claim is filed,

1 the taxpayers have continuously owned and [*lived in*] **occupied** the homestead at least 19 years but
2 less than 21 years.

3 (i) 200 percent of county median RMV if, as of April 15 of the year in which a claim is filed, the
4 taxpayers have continuously owned and [*lived in*] **occupied** the homestead at least 21 years but less
5 than 23 years.

6 (j) 225 percent of county median RMV if, as of April 15 of the year in which a claim is filed, the
7 taxpayers have continuously owned and [*lived in*] **occupied** the homestead at least 23 years but less
8 than 25 years.

9 (k) 250 percent of county median RMV if, as of April 15 of the year in which a claim is filed,
10 the taxpayers have continuously owned and [*lived in*] **occupied** the homestead for 25 years or more.

11 **(7)(a) For each tax year beginning on or after July 1, 2022, the Department of Revenue**
12 **shall recompute the \$250,000 minimum cap on allowable real market value provided under**
13 **subsection (6) of this section as follows:**

14 **(A) Divide the average Consumer Price Index for All Urban Consumers, West Region, for**
15 **the first six months of the current calendar year by the average Consumer Price Index for**
16 **All Urban Consumers, West Region, for the first six months of 2021.**

17 **(B) Recompute the minimum cap on allowable real market value by multiplying \$250,000**
18 **by the appropriate indexing factor determined under subparagraph (A) of this paragraph.**

19 **(b) Any change in the minimum cap on allowable real market value determined under**
20 **paragraph (a) of this subsection shall be rounded to the nearest multiple of \$500.**

21 **(8) For purposes of subsection (6) of this section, a surviving spouse or disabled heir who**
22 **is eligible to claim continuation of deferral under ORS 311.688 is considered to have owned**
23 **and occupied the homestead from the date on which the deceased individual or individuals**
24 **who filed the claim for deferral first owned and occupied the homestead.**

25 **SECTION 4. (1) The amendments to ORS 311.666, 311.668 and 311.670 by sections 1 to 3**
26 **of this 2021 Act apply to claims for deferral filed on or after the effective date of this 2021**
27 **Act.**

28 **(2) An individual whose claim was denied before the effective date of this 2021 Act solely**
29 **because the real market value of the individual's property exceeded the applicable maximum**
30 **allowable real market value under ORS 311.670 (6) is not barred from filing a new claim for**
31 **deferral on or after the effective date of this 2021 Act for property tax years beginning on**
32 **or after July 1, 2021.**

33 **SECTION 5.** ORS 311.672 is amended to read:

34 311.672. (1)(a) A taxpayer's claim for deferral under ORS 311.666 to 311.701 must:

35 (A) Be in writing on a form supplied by the Department of Revenue;

36 (B) Describe the homestead;

37 (C) Recite all facts establishing the eligibility, **as of the earlier of the date of filing or April**
38 **15 immediately preceding the property tax year for which deferral is claimed**, of the homestead
39 for, and of the taxpayers to claim, the deferral; and

40 (D) Have attached:

41 (i) Any documentary proof required by the department; and

42 (ii) A statement verified by a written declaration of all taxpayers claiming deferral to the effect
43 that the statements contained in the claim are true.

44 (b) [*The*] A claim for deferral must be filed with the assessor of the county in which the home-
45 stead is located, after January 1 and on or before April 15 immediately preceding the property tax

1 year for which deferral is claimed.

2 (c) **Notwithstanding paragraph (b) of this subsection, a claim for deferral may be filed**
3 **with the county assessor after April 15 immediately preceding the property tax year for**
4 **which deferral is claimed and on or before December 1 of the same calendar year. A claim**
5 **filed under this paragraph must be accompanied by a fee in an amount equal to 10 percent**
6 **of the property taxes assessed on the homestead on the last certified assessment and tax**
7 **roll, but in no event less than \$20 or greater than \$150.**

8 (d) **For applications for deferral for each property tax year beginning on or after July 1,**
9 **2023, the department shall recompute the upper and lower fee limits set forth in paragraph**
10 **(c) of this subsection as follows:**

11 (A) **Divide the average Consumer Price Index for All Urban Consumers, West Region, for**
12 **the first six months of the calendar year immediately preceding the calendar year in which**
13 **the application is filed by the average Consumer Price Index for All Urban Consumers, West**
14 **Region, for the first six months of 2021.**

15 (B) **Multiply each fee limit set forth in paragraph (c) of this subsection by the quotient**
16 **determined under subparagraph (A) of this paragraph.**

17 (C) **Round each fee limit determined under subparagraph (B) of this paragraph to the**
18 **nearest multiple of \$10, but in no event to less than \$20.**

19 (2) **The county assessor shall forward each claim filed under this section to the Department of**
20 **Revenue, and the department shall determine whether the property is eligible for the deferral.**

21 (3) **If the taxpayers and the homestead are determined to be eligible under ORS 311.668 and**
22 **311.670, respectively, a timely claim for deferral has the effect of:**

23 (a) **Deferring the payment of the property taxes levied on the homestead for the property tax**
24 **year beginning on July 1 of the calendar year in which the claim is filed.**

25 (b) **Continuing the deferral of the payment by the taxpayers of any property taxes deferred under**
26 **ORS 311.666 to 311.701 for previous years that have not become delinquent under ORS 311.686.**

27 (c) **Except as otherwise provided in ORS 311.689, continuing the deferral of the payment by the**
28 **taxpayers of any future property taxes for as long as the homestead remains eligible for, and the**
29 **taxpayers remain eligible to claim, the deferral.**

30 (4)(a) **Notwithstanding subsection (3) of this section:**

31 (A) **For the property tax year beginning on July 1, 2012, the maximum number of claims for**
32 **deferral under ORS 311.666 to 311.701 that may be granted to taxpayers who have not previously**
33 **been granted deferral is the number of such claims granted for the property tax year beginning on**
34 **July 1, 2011, multiplied by 105 percent.**

35 (B) **For each property tax year beginning after July 1, 2012, the maximum number of claims for**
36 **deferral that may be granted to taxpayers who have not previously been granted deferral is the**
37 **maximum number determined under this subsection for the immediately preceding property tax year**
38 **multiplied by 105 percent.**

39 (b) **For purposes of paragraph (a) of this subsection, surviving spouses and disabled heirs who**
40 **continue deferral under ORS 311.688 are not considered taxpayers who have not previously been**
41 **granted deferral.**

42 (c) **If the number of eligible claims described in paragraph (a) of this subsection that are filed**
43 **on or before the deadline set forth in subsection (1)(b) of this section exceeds the maximum**
44 **number determined under paragraph (a) of this subsection, claims shall be granted in ascending or-**
45 **der based on the ratio that is equal to the real market value of the homestead, as entered on the**

1 [last] certified assessment and tax roll **for the property tax year immediately preceding the**
 2 **property tax year for which the claim is filed**, divided by the county median RMV of the home-
 3 stead determined under ORS 311.670 (6), until the maximum number determined under paragraph (a)
 4 of this subsection is reached.

5 **(d) If the number of eligible claims described in paragraph (a) of this subsection that have**
 6 **been filed on or before the deadline set forth in subsection (1)(b) of this section do not equal**
 7 **or exceed the maximum number determined under paragraph (a) of this subsection, eligible**
 8 **claims that are filed on or before the deadline set forth in subsection (1)(c) of this section**
 9 **shall be granted in chronological order based on the filing date until the maximum number**
 10 **is reached. If the number of eligible claims filed on the date on which the maximum is**
 11 **reached would cause the maximum number to be exceeded, all claims filed on that date shall**
 12 **be denied deferral for that property tax year.**

13 (5) Any taxpayer aggrieved by the denial of a claim for, or discontinuation of, deferral under
 14 ORS 311.666 to 311.701 may appeal in the manner provided by ORS 305.404 to 305.560.

15 **SECTION 6. The amendments to ORS 311.672 by section 5 of this 2021 Act apply to claims**
 16 **for deferral for property tax years beginning on or after July 1, 2022.**

17 **SECTION 7.** ORS 311.688 is amended to read:

18 311.688. (1) Notwithstanding ORS 311.684, when [*one of the circumstances listed in ORS 311.684*
 19 *(1) to (3) occurs, the spouse*] **a taxpayer dies, the surviving spouse or disabled heir of the tax-**
 20 **payer** who was not eligible to or did not file a claim jointly with the taxpayer may continue the
 21 property in its deferred tax status by filing a claim in the manner prescribed under ORS 311.672 if:

22 (a)(A) The **surviving** spouse of the taxpayer is or will be 60 years of age or older not later than
 23 six months [*from the day the circumstance listed in ORS 311.684 (1) to (3) occurs*] **following the date**
 24 **on which the taxpayer died; [and] or**

25 **(B) The disabled heir of the taxpayer is otherwise eligible to claim deferral under ORS**
 26 **311.668 (1)(a)(B); and**

27 (b) **Within two years following the date on which the taxpayer died**, the property is **or be-**
 28 **comes** the homestead of the **surviving** spouse **or disabled heir** of the taxpayer and **otherwise**
 29 meets the requirements of ORS 311.670.

30 (2)(a) A **surviving** spouse who does not meet the age requirements of subsection (1)(a) of this
 31 section but is otherwise qualified to continue the property in its tax-deferred status under subsection
 32 (1) of this section may continue the deferral of property taxes deferred for previous years by filing
 33 a claim in the manner prescribed under ORS 311.672.

34 (b) If a **surviving** spouse eligible for and continuing the deferral of taxes previously deferred
 35 under this subsection becomes 62 years of age prior to April 15 of any year, the **surviving** spouse
 36 may continue the deferral of previous years' taxes deferred under this subsection and may elect to
 37 defer the current assessment year's taxes on the homestead by filing a claim in the manner pre-
 38 scribed under ORS 311.672.

39 (c) After a claim is filed under paragraph (b) of this subsection, payment of the taxes levied on
 40 the homestead and deferred under this subsection and payment of taxes levied on the homestead in
 41 the current assessment year and in future years may be deferred under ORS 311.666 to 311.701.

42 (3)(a) **Initial claims made pursuant to this section may not be filed late under ORS**
 43 **311.672.**

44 (b) Notwithstanding [*ORS 311.672*] **paragraph (a) of this subsection**, if the Department of Re-
 45 venue determines that good and sufficient cause exists for the failure of a **surviving** spouse **or**

1 **disabled heir** to file a claim under this section on or before April 15, the claim may be filed within
2 180 days after notice of taxes due and payable under ORS 311.686 is [mailed or delivered] sent by
3 the department to the taxpayer or [spouse] **surviving spouse or disabled heir.**

4 **SECTION 8. The amendments to ORS 311.688 by section 7 of this 2021 Act apply to claims**
5 **for deferral filed on or after the effective date of this 2021 Act.**

6 **SECTION 9.** Section 24, chapter 723, Oregon Laws 2011, as amended by section 31, chapter 723,
7 Oregon Laws 2011, is amended to read:

8 **Sec. 24.** (1) The amendments to ORS 305.612, 311.356, 311.666, 311.668, 311.670, 311.672, 311.676,
9 311.679, 311.681, 311.684, 311.686, 311.688, 311.689, 311.691, 311.693, 311.695, 311.700, 311.701, 314.430
10 and 410.422 by sections 1 to 4, 6 to 18, 20, 21 and 29, **chapter 723, Oregon Laws 2011, [of this 2011**
11 **Act]** apply to property tax years beginning on or after July 1, 2011.

12 (2) The amendments to ORS 311.674 by section 5, **chapter 723, Oregon Laws 2011, [of this 2011**
13 **Act]** apply to interest that accrues on taxes advanced to counties for tax-deferred property for
14 property tax years beginning on or after July 1, 2011.

15 [(3) *A claim for an initial year of deferral, or for continued deferral, under ORS 311.666 to 311.701*
16 *may not be filed on or after April 16, 2021, and deferral may not be granted for a property tax year*
17 *beginning after July 1, 2021.*]

18 **SECTION 10. Section 11 of this 2021 Act is added to and made a part of ORS 311.666 to**
19 **311.701.**

20 **SECTION 11. A claim for an initial year of deferral, or for continued deferral, under ORS**
21 **311.666 to 311.701 may not be filed on or after December 2, 2032, and deferral may not be**
22 **granted for a property tax year beginning after July 1, 2032.**

23 **SECTION 12.** ORS 311.693 is amended to read:

24 311.693. (1)[(a)] Delay in foreclosure on account of delinquent taxes as provided in ORS 311.691
25 may not be granted unless the owner of the tax-deferred homestead files an application for the delay
26 with the county assessor prior to the date the period of redemption expires under ORS 312.120.

27 [(b) *An application filed under this subsection must contain or be accompanied by a verified*
28 *statement of total household income of the owner for the calendar year immediately preceding the cal-*
29 *endar year in which the application is filed.*]

30 (2)(a) Upon receipt of an application under subsection (1) of this section, the county assessor
31 shall approve or deny the application.

32 (b) If the application is denied, the owner may appeal to the circuit court in the county where
33 the tax-deferred homestead property is located within 90 days after notice in writing of the denial
34 is mailed to the owner by the county assessor.

35 (c) Orders of the circuit court in an appeal taken under this subsection may be appealed to the
36 Court of Appeals within the time and in the manner provided under ORS 312.210.

37 **SECTION 13. The amendments to ORS 311.693 by section 12 of this 2021 Act apply to ap-**
38 **plications for delay in foreclosure filed on or after the effective date of this 2021 Act.**

39 **SECTION 14. Section 15 of this 2021 Act is added to and made a part of ORS 311.666 to**
40 **311.701.**

41 **SECTION 15. Notwithstanding ORS 311.688 (3)(a), a surviving spouse or disabled heir may**
42 **file an initial claim for deferral for the property tax year beginning on July 1, 2021, as au-**
43 **thorized under ORS 311.688, on or before December 1 immediately following the effective date**
44 **of this 2021 Act.**

45 **SECTION 16.** ORS 311.694 is amended to read:

1 311.694. (1) At the time that the property is deeded over to the county at the conclusion of the
2 foreclosure proceedings pursuant to ORS 312.200 the county court shall order the county treasurer
3 to pay to the Department of Revenue from the unsegregated tax collections account the amount of
4 **uncollected** deferred taxes and [*interest which were not*] **any interest that accrued prior to Au-**
5 **gust 15 of the year in which the deferred taxes first became delinquent, or that accrues after**
6 **the property is deeded to the county, and that has not been** collected.

7 (2) Immediately upon payment, the county treasurer shall notify the tax collector of the amount
8 paid to the department for the property which has been deeded to the county pursuant to ORS
9 312.200.

10 **SECTION 17. The amendments to ORS 311.694 by section 16 of this 2021 Act apply to or-**
11 **ders for payment issued on or after the effective date of this 2021 Act.**

12 **SECTION 18. This 2021 Act takes effect on the 91st day after the date on which the 2021**
13 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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