

HB 3506 -1 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 3/10, 3/17

WHAT THE MEASURE DOES:

Directs the Housing and Community Services Department to study housing and report to the Legislative Assembly by September 15, 2026. Sunsets these provisions on January 2, 2027.

Fiscal impact: Fiscal impact issued

Revenue impact: Revenue impact issued

ISSUES DISCUSSED:

- Senior property tax deferral program process and accumulated reserve in the Senior Property Tax Deferral Revolving Account
- Home modification eligibility for seniors and their homes with the Healthy Homes Repair program
- Number of homeowners that could potentially benefit from the program and outreach

EFFECT OF AMENDMENT:

-1 Replaces the measure.

Transfers \$3,000,000 from the Senior Property Tax Deferral Revolving Account to the General Fund for general governmental purposes.

Appropriates \$3,000,000 to the Oregon Health Authority for the 2025-2027 biennium for deposit into the Healthy Homes Repair Fund to support housing for seniors and individuals with disabilities, including support through installation of accessibility modifications.

BACKGROUND:

The Senior Property Tax Deferral Revolving Account is a state-managed fund established to assist eligible senior and disabled homeowners by deferring their property taxes. This program allows qualifying individuals to postpone their property tax payments, with the state covering these taxes on their behalf. The deferred taxes, along with accrued interest and fees, are repaid when certain events occur, such as the sale of the property or the death of the homeowner. The account is used by the Oregon Department of Revenue to make payments to county tax collectors for property taxes deferred for tax years beginning on or after January 1, 1983. It also covers deferred special assessment improvement amounts and administrative expenses related to the deferral programs. The account is replenished through repayments of deferred property taxes and special assessment improvement amounts, including accrued interest. These repayments are continuously appropriated to the Department of Revenue for ongoing program needs. Deferred tax accounts accrue interest at a rate of 6% per year. This interest is simple and not compounded, accruing on the amount paid by the Department of Revenue. A lien is placed on properties participating in the deferral program, making the Department of Revenue a security interest holder. This lien ensures repayment of the deferred taxes, interest, and any associated fees upon disqualification or cancellation from the program.