



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to the homestead property tax deferral program.

Government Unit(s) Affected: Cities, Counties, Department of Revenue, Judicial Department, Legislative Revenue Office

Summary of Fiscal Impact

Costs related to the measure may require budgetary action - see explanatory analysis.

Measure Description

The measure increases the household income limit for the Homestead Property Tax Deferral Program to \$70,000. Under current law, the statutory income threshold to participate in the program is \$32,000; however, with adjustments for inflation since 2001, when the limit was originally established, the threshold for 2025 is \$60,000. The measure also increases the homestead real market value (RMV) limit to 150% of the county median RMV for homeowners who have resided in their home for less than 17 years.

The measure requires the Legislative Revenue Officer (LRO) to conduct a study on the Homestead Property Tax Deferral program. LRO is required to submit a report to the Legislature by September 15, 2026 that addresses the equity in specified homesteads and the advantages and disadvantages of determining program eligibility based on an individual's equity in the homestead rather than household income.

Fiscal Analysis

Department of Revenue

The fiscal impact of the measure for the Department of Revenue is indeterminate due to the unknown increase in program participation based on the changes to the tax deferral program. However, depending on the actual participation and increase in property tax payments from the Senior Property Tax Deferral Revolving Account, the Department may require additional Other Funds expenditure limitation to provide these payments to counties. The administrative program work associated with processing additional applications and program participation can be absorbed within current resources.

Other Entities

The measure has a minimal fiscal impact on LRO and local governments. There is no fiscal impact to the Judicial Department.

Relevant Dates

The measure takes effect on January 1, 2026.

The filing changes to property taxes apply to tax years beginning on or after July 1, 2026.

The Legislative Revenue Officer is to submit a report to the interim committees of the Legislative Assembly related to revenue no later than September 15, 2026, and the requirement sunsets January 2, 2028.