

HB 3506 B STAFF MEASURE SUMMARY

House Committee On Revenue

Action Date: 05/08/25

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed B-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Hudson, Levy B, Marsh, Nathanson, Reschke, Smith G, Walters

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 4/1, 4/29, 5/6, 5/8

WHAT THE MEASURE DOES:

Transfers, in January 2026, \$3.15 million of estimated excess funds in the Senior Property Tax Deferral Revolving Account, of which, \$3 million will be used to support the installation of home accessibility modifications for seniors and individuals with disabilities and \$0.15 million will be used for the Department of Revenue to contract with a public benefit corporation or consultant to establish an outreach program for the Homestead Property Tax Deferral program and report to the Legislature on the outreach program by September 1, 2026. Takes effect January 1, 2026.

ISSUES DISCUSSED:

- Home accessibility modifications for senior and disabled housing
- Renters and owners
- Sustained outreach materials
- Outreach audiences: homeowners and service providers

EFFECT OF AMENDMENT:

Transfers some estimated excess funds in the revolving account to the Department of Revenue for an outreach program and report to the Legislature.

BACKGROUND:

Seniors represent a large and growing segment of Oregon's population of 4.3 million people. The number of seniors in Oregon who are 65 years of age or over has exceeded the number of children under the age of 18 since 2023. For comparison, in 2000 the senior population was a little over half of the child population.

The Homestead Property Tax Deferral Program is available for qualifying homeowners who are 62 years of age or over or qualify for Social Security disability benefits. Funds are used from the Senior Property Tax Deferral Revolving Account to pay the property taxes on behalf of participating homeowners. Simple six percent interest accrues annually on the deferred property taxes. Although repayments can be made at any time, all deferred taxes, interest, and fees are due upon disqualification—when the owner moves, sells the homestead, or dies. Repayments are then credited to the revolving account. The balance of the revolving account was \$74 million on October 31, 2024.

An Oregon State University study, which surveyed participants in the Homestead Property Tax Deferral Program, found the most important obstacles for deferral program participants to remain in their home were health issues, major home repair costs, medical or health insurance bills, house or yard maintenance, and utility costs.