

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number: HB 3506 - C
Revenue Area: Property Tax Deferral
Economist: Beau Olen
Date: 6/13/2025

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Transfers, in January 2026, \$3 million of estimated excess funds in the Senior Property Tax Deferral Revolving Account to the State General Fund for appropriation in the 2025-27 biennium to the Healthy Homes Repair Fund to support housing for seniors and individuals with disabilities, including the installation of accessibility modifications. Transfers, in January 2026, \$150,000 of estimated excess funds in the revolving account to the State General Fund for appropriation in the 2025-27 biennium to the Department of Revenue to contract with a public benefit corporation or consultant to establish an outreach program for the deferral program, and to report to the Legislature on the outreach program by September 1, 2026. Takes effect January 1, 2026.

Revenue Impact (in \$Millions):

	Biennium
	2025-27
State General Fund	\$3.15
Senior Property Tax Deferral Revolving Account	-\$3.15

Impact Explanation:

Under current law, the Senior Property Tax Deferral Revolving Account is a source of existing funds for the Department of Revenue (DOR) to pay property taxes on behalf of qualifying homeowners under the Homestead Property Tax Deferral program. Deferred taxes, interest, and fees (i.e., repayments) are due when a disqualifying event occurs—homestead is sold or transferred, homestead is no longer the homeowner’s principal dwelling, homestead is a manufactured structure or floating home that is moved out of state, or the homeowner dies. The revolving account balance has grown over the last 10 years and is expected to reach \$78 million by October 31, 2025. Growth occurred because repayments to the account exceeded the tax payments and administrative costs paid from the account. Under the measure, local property tax revenue will not be impacted by transferring \$3.15 million of estimated excess funds in the revolving account in January 2026, but it will impact the account balance. The DOR outreach program may increase deferral program participation, but is not an additional solvency risk for the account since total transfers from the account are still expected to be \$42-\$70 million in 2026-2031 (See HB 3589, as amended, for details on transfers of estimated excess funds in the account and the annual DOR solvency review to protect the solvency of the account and its ability to pay deferred taxes and administrative costs.)

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒