



## **HB 3712 – Changing Oregon’s Property Tax Deferral Program**

House Revenue Committee – Jody Wisner – March 18, 2025

Rep. Nathanson and members of the House Revenue Committee, my name is Jody Wisner. I am here representing Tax Fairness Oregon. Thank you, Rep. Reschke for your interest in addressing this important program. The deferral program is an available benefit for seniors which few of them use. While the population of senior homeowners have grown with the boomer bulge, the use of the program has dropped to about one half of the participation a dozen years ago and one third of what it was in the 90s.

The problem is, we don’t know why. Did they refinance when interest rates were low and increase their income stream? Do one or more of the requirements of the program deter their participation, does 6% interest seem too high after years at around 3%, or do they just not know about the program?

There clearly is low program participation and high property tax anxiety. We definitely want to work with you, Rep. Reschke in seeking out the problem or problems. Certainly, we believe this is an excellent state program. It allows the 80% of seniors who own their own homes to stay in them if they wish, while deferring their property taxes, if they meet certain requirements.

HB 3712 bill changes all but one of the parameters of the property tax deferral program.

The primary requirements are:

- Assets of no more than half a million (excluding home, car and personal possessions)
- Homes owned and lived in for five or more years.
- Household income from all sources of less than \$60,000 (indexed).
- Home value limited by county and by number of years owned

The bill leaves untouched the \$500,000 limit on investment assets and reduces the number of years one must have lived in the home from five to three years. It increases the household income from \$60,000 to \$80,000 making eligible those with a median Oregon household income and changes the home value formula from eleven to five steps.

We think the last change creates unnecessarily large steps. And while it increases the value allowed for long-time homeowners, it does nothing to address the value of homes for the newest owners. If a change should be made to the chart, I think increasing the value at the bottom end would be likely to allow more owners to participate.

But the truth is we simply don’t know which, or if any of these requirements is what is deterring participation in the deferral program. We don’t have any data. There has been no research.

After testifying on the numerous bills that would reduce or eliminate the property taxes of seniors, I decided to meet with the sponsors of those bills. I’ve had appointments so far with four. Three of them didn’t know of the deferral program when they wrote their bills! One legislator said, “I learned about the deferral program when you testified against my bill.” If legislators are unaware of the program....

We believe the primary reason participation has fallen to where it was in 1979, the second year of the program, is lack of knowledge about the program. And that is where we should be putting energy until we know what the issues with the requirements are.

My raw estimating says 600,000 to 700,000 Oregon seniors own their own homes. The most recent statistics for the deferral program show only 3662 participants.

The program keeps local jurisdictions' revenue streams whole while giving seniors an option to delay paying their property taxes. It deserves more attention. We might want to consider the variations in requirements of other states for their senior and disabled deferral program. In Washington they require a certain amount of equity rather than years of ownership, include both current and delinquent taxes, reduce income by medical expenses, and allow heirs to continue the program if they are at least 57 and living in the home.

Better fact finding is needed. You need evidence about changes that should be made, how people learn about the program, and a strong communications effort.

We hope you'll use the relating clause in this bill to set aside a small amount of money – possibly from the corpus itself -- to hire someone focused only on researching who does and doesn't participate and why, and then designing and implementing a stellar communications plan. Their experiences could then recommend to you any needed changes to the program. That's where we think your focus should be.

We've prepared some district specific flyers and are happy to make one for your district for you to share with constituents. Several are in OLIS under this bill.

Thank you, Rep. Reschke, for your attention to this issue. We love to work with you on changing it to a bill that seeks answers and gets the word out.

***We read the bills and follow the money***