

Submitter:	Mark Reaksecker
On Behalf Of:	COMMON SENSE PART 4
Committee:	House Committee On Revenue
Measure, Appointment or Topic:	HB3755

For senior and disabled Oregonians, the state will pay your property taxes, at a cost of 6% interest. This is basically a reverse mortgage—the antithesis of what these people have worked for their whole life. One way or another, this “loan” will be paid back, but the compounding of interest will erode any equity once had in the owning of the real estate. How demoralizing, with loss of dignity, for people who worked their whole life to pay property taxes, only to be kicked to the curb and run over by the school bus.

Two major problems occur with this program. One, what if the loan and interest owed, exceeds the value of the property? Does the state keep “loaning” more to pay property taxes, or do they foreclose your property? Any bank would surely foreclose in these circumstances. If the senior property owner bequeaths or sells the property, do the heirs or new owners pay back the under-water loan? We know the state won’t relent and write off any money owed and would probably charge penalty and more interest charges.

Two, the income threshold is very low. What happens if your income is \$1 more than threshold? The income restriction will disqualify many seniors in desperate need of tax relief. For these fringe threshold owners, there is no relief—except one—pass HB3755.

CONCLUSION

We have seen from this testimony that senior home-owners can’t make ends meet with rising property taxes and fixed income that doesn’t keep pace. Testimony from elders, all over the state, show this—it’s gut wrenching to read so many stories of distress.

Property taxes aren’t the only source for school funding. As per LPRO, it’s not listed as a major source. So, helping the struggling seniors, won’t affect schools much. If seniors move out of Oregon, it will cause a dramatic effect on Oregon’s economy. Cutting waste in Oregon’s government is always a good idea and could easily compensate for easing the property tax burden of stressed senior home-owners. Increasing elderly consumer spending would increase the velocity of money and improve Oregon’s economy.

The senior deferral program robs equity from their home, with no way to pay it back, short of a miracle.

On behalf of over-burdened senior property tax payers, please vote YES on HB3755.