MEASURE NUMBER: HB 2032 STATUS: A-Engrossed
SUBJECT: Payment of delinquent taxes, penalties and interest on property subject to the Senior
Property Tax Deferral program
GOVERNMENT UNIT AFFECTED: Department of Revenue, Counties, Department of Human
Services
PREPARED BY: Adrienne Sexton
REVIEWED BY: Dallas Weyand, John Britton
DATE: March 30, 2007

2007-2009

2009-2011

## **EXPENDITURES:** See Comments.

**REVENUES:** See Revenue Impact Report issued by the Legislative Revenue Office

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The measure would require the Department of Revenue (DOR) to pay the total delinquent taxes, interest and penalties on homesteads for which a claim for deferral under the Senior Property Tax Deferral program is filed on or after January 1, 2008. The total would be the amount delinquent as of November 15 following an initial application. DOR would use revenue in the Senior Property Tax Deferral Revolving Account, which currently is used to make two sets of payments if the account is sufficiently funded: 1) deferred property taxes, deferred special assessment improvement amounts, and DOR administrative costs; and 2) an amount to the Oregon Project Independence Fund (OPI), calculated by a formula based on the amount in the revolving account and the total amount needed to make the payments in item 1.

DOR estimates additional expenses for information technology programming of approximately \$75,000 Other Funds which could be contracted for and be paid as part of the department's deferral program administrative costs. DOR would likely incur other, minimal, costs that would be absorbed in the agency's budgeted resources.

DOR reports that the impact of this measure on the amount available for distribution to OPI cannot be determined with certainty, due to the number of variables that affect the revolving account balance, against which the OPI transfer is calculated.