

House Bill 2032

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Revenue for Oregon Association of County Tax Collectors)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Department of Revenue to pay delinquent taxes, interest and penalties on homesteads for which property tax deferral is claimed by seniors and persons with disabilities.

Applies to delinquent taxes, interest and penalties for which claim for homestead property tax deferral is filed on or after January 1, 2008.

A BILL FOR AN ACT

1 Relating to tax-deferred property; creating new provisions; and amending ORS 311.668 and 311.676.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1.** ORS 311.668 is amended to read:

4 311.668. (1)(a) Subject to ORS 311.670, an individual, or two or more individuals jointly, may
5 elect to defer the property taxes on their homestead by filing a claim for deferral with the county
6 assessor after January 1 and on or before April 15 of the first year in which deferral is claimed if:

7 (A) The individual, or, in the case of two or more individuals filing a claim jointly, each indi-
8 vidual, is 62 years of age or older on April 15 of the year in which the claim is filed; or

9 (B) The individual is a disabled person on April 15 of the year in which the claim is filed. In the
10 case of individuals filing a claim jointly, only one individual need be a disabled person in order to
11 make the election.

12 (b) In order to make the election described in paragraph (a) of this subsection, the individual
13 must have, or in the case of two or more individuals filing a claim jointly, all of the individuals to-
14 gether must have household income, as defined in ORS 310.630, for the calendar year immediately
15 preceding the calendar year in which the claim is filed of less than \$32,000.

16 (c) The county assessor shall forward each claim filed under this subsection to the Department
17 of Revenue which shall determine if the property is eligible for deferral.

18 (2) When the taxpayer elects to defer property taxes for any year by filing a claim for deferral
19 under subsection (1) of this section, it shall have the effect of:

20 (a) Deferring the payment of the property taxes levied on the homestead for the fiscal year be-
21 ginning on July 1 of [*such year*] **the year of application**.

22 (b) Continuing the deferral of the payment by the taxpayer of any property taxes deferred under
23 ORS 311.666 to 311.701 for previous years which have not become delinquent under ORS 311.686.

24 (c) Continuing the deferral of the payment by the taxpayer of any future property taxes for as
25 long as the provisions of ORS 311.670 are met.

26 (3) If a guardian or conservator has been appointed for an individual otherwise qualified to ob-
27 tain deferral of taxes under ORS 311.666 to 311.701, the guardian or conservator may act for such
28 individual in complying with the provisions of ORS 311.666 to 311.701.

29 (4) If a trustee of an inter vivos trust which was created by and is revocable by an individual,
30

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 who is both the trustor and a beneficiary of the trust and who is otherwise qualified to obtain a
2 deferral of taxes under ORS 311.666 to 311.701, owns the fee simple estate under a recorded instru-
3 ment of sale, the trustee may act for the individual in complying with the provisions of ORS 311.666
4 to 311.701.

5 (5) Nothing in this section shall be construed to require a spouse of an individual to file a claim
6 jointly with the individual even though the spouse may be eligible to claim the deferral jointly with
7 the individual.

8 (6) Any person aggrieved by the denial of a claim for deferral of homestead property taxes or
9 disqualification from deferral of homestead property taxes may appeal in the manner provided by
10 ORS 305.404 to 305.560.

11 (7)(a) For each tax year beginning on or after July 1, 2002, the Department of Revenue shall
12 recompute the maximum household income that may be incurred under an allowable claim for
13 deferral under subsection (1)(b) of this section. The computation shall be as follows:

14 (A) Divide the average U.S. City Average Consumer Price Index for the first six months of the
15 current calendar year by the average U.S. City Average Consumer Price Index for the first six
16 months of 2001.

17 (B) Recompute the maximum household income by multiplying \$32,000 by the appropriate in-
18 dexing factor determined as provided in subparagraph (A) of this paragraph.

19 (b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City
20 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
21 Labor Statistics of the United States Department of Labor.

22 (c) If any change in the maximum household income determined under paragraph (a) of this
23 subsection is not a multiple of \$500, the increase shall be rounded to the nearest multiple of \$500.

24 **SECTION 2.** ORS 311.676 is amended to read:

25 311.676. (1) Upon determining the amount of deferred taxes on tax-deferred property for the tax
26 year, the Department of Revenue shall pay to the respective county tax collectors an amount
27 [equivalent] **equal** to the deferred taxes less three percent thereof. Payment shall be made from the
28 revolving account established under ORS 311.701.

29 (2) The department shall maintain accounts for each deferred property and shall accrue interest
30 only on the actual amount of taxes advanced to the county.

31 (3)(a) If only a portion of taxes are deferred under ORS 311.689, the department shall pay the
32 portion that is eligible for deferral to the tax collector and shall provide a separate notice to the
33 county assessor stating the amount of property taxes that the department is paying.

34 (b) The notice stating the amount of property taxes paid by the department and any other
35 county records indicating those amounts are not subject to the prohibitions against disclosure set
36 forth in ORS 314.835.

37 **(4) In addition to amounts paid under subsection (1) of this section, the department shall**
38 **pay to the respective county tax collectors an amount equal to the total amount of delin-**
39 **quent taxes, interest and penalties due on tax-deferred property. For purposes of this sub-**
40 **section, the total amount of delinquent taxes, interest and penalties includes all taxes,**
41 **interest and penalties that are delinquent as of the date a claim for deferral is filed under**
42 **ORS 311.668.**

43 **SECTION 3.** The amendments to ORS 311.676 by section 2 of this 2007 Act apply to de-
44 **linquent taxes, interest and penalties on homesteads for which a claim for deferral under**
45 **ORS 311.668 is filed on or after January 1, 2008.**

