FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2510 - A3**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date:	6/4/13

Measure Description:
Provides that, for purposes of homestead property tax deferral program, five-year minimum requirement and reverse mortgage prohibition do not apply to homesteads that had been granted deferral for any property tax years beginning before July 1, 2011.

Government Unit(s) Affected:
Department of Revenue(DOR)

Please see analysis

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.

Analysis:
The measure eliminates certain disqualifying criteria for the Senior Property Tax Deferral program, thereby allowing a greater number of individuals to be eligible to apply for participation in the program. The Department of Revenue (DOR) estimates that it will send about 3,000 letters to former applicants informing them of the change. The increase in workload due to the production of the letters, increased informational calls and increase in anticipated number of applications will be absorbed by DOR using existing resources and therefore will have a minimal impact to the agency.

It is notable however, that DOR expects this change to increase the number of participants in the program resulting in a larger amount of payments to local governments for property taxes from the program's revolving fund. According to the DOR, the fund is structurally stable at about 700 participants with an average annual tax deferral payment of $2,000 per participant. Funds forwarded to local governments on behalf of taxpayers in the program are repaid to the fund upon the transfer of the subject property and accrue at a rate of 6% annually until paid.