

Update on status of the Property Tax Deferral Program Preview to 2013 Legislative Session

Issue 1: **Nineteen million dollar loan to the Senior Property Tax Deferral Program**

Issue 2: **Is there room for more participants without jeopardizing a return to the red?**

Status as of February 2013

1. Following the tax payment to counties in May 2011 the Senior Property Tax Deferral Account had a ZERO balance.
2. The forecast at that time estimated the account would receive approximately \$1.2 million per month and have a balance of \$6 million by the end of October.
3. Actual repayments came in higher than estimated at \$8.7 million.
4. The department implemented the program limitations established in HB 2543 (2011) in the summer and fall of 2011.
5. Pursuant to SB 939 (2011) the Oregon State Treasury transferred \$19 million to the Senior Property Tax Deferral Revolving Account on November 1, 2011.
6. Only approximately 5000 individuals qualified for the program as of November 15, 2011- the due date for property tax payments. Approximately 7000 people became ineligible for a variety of reasons, or chose to no longer participate in the program.
7. The Department paid taxes for those 5000 participants in the amount of nearly \$9.4 million on November 15, 2011.
8. The 2012 legislature added 1500 people back into the program for two years.
9. Retroactive payment for these accounts generated on June 4, 2012 of \$3 mil.
10. Repayments on accounts receivable from November 2011 to January 2012 have been slightly higher than forecasted.
11. At this time there is sufficient revenue in the Senior Property Tax Deferral Account to repay the Oregon State Treasury by the repayment due date of June 2013. January 31 balance was \$24,986,944.
12. The detailed forecast is outlined in the chart below.
13. The forecast does not take into consideration any changes proposed or made in this legislative session.
14. New applications are coming in and will until the April 15th deadline.
15. Recertification forms sent February 1. Hundreds coming back.
16. Reverse Mortgage “end of extension” reminder being sent in the next two weeks.

Property Tax Deferral Revolving Account 2011 to 2014

This is a November to November picture, it is not fiscal or tax year.

	Nov. 2011	Nov. to Nov. 2011/2012	Nov. to Nov. 2012/2013	Nov. to Nov. 2013/2014
November 16th Balance		18.2	20.4	10.1
Repayments		21.2	20.5	20.5
Administrative Costs		-0.9	-0.7	-0.7
Retroactive payments		-4.4		
Loan	19			
Loan Repayment			-19.2	
November 14th Balance	27.6	34.1	21.0	29.9
Tax bill	-9.3	-13.7	-11.0	-11.2
November 16th Balance	18.2	20.4	10.1	18.7

All numbers are in the millions

All number rounded to 1 decimal place

Press Release Issued 21 February 2013

Recertification process underway for property tax deferral programs

SALEM—The Oregon Department of Revenue has started its annual review of participant eligibility for the state's Senior and Disabled Citizens Property Tax Deferral Program.

About half the current participants in the program soon will receive a one-page recertification letter containing several questions about themselves and their property. Revenue will use their answers to verify they still meet program eligibility criteria set by the Legislature. The rest of the program's participants will receive letters next year.

Revenue urges participants who receive a recertification request to respond promptly. They have 65 days from the date of the letter to file the necessary paperwork.

"People who receive this letter shouldn't wait until the last minute," said Bronson Rueda, the unit manager for the program. "They need to meet the deadline or they will lose their active status in the program. If that happens, the state will not pay their property taxes, beginning November 2013 and going forward."

The deferral program also is now accepting new applicants for the 2013-14 tax year. Those interested must file an application with their county assessor's office by April 15.

The Oregon State Legislature established the Senior and Disabled Citizens Property Tax Deferral Program in 1964 to help qualified citizens pay their county property taxes. Essentially, the state lends the tax payment to eligible participants. A lien is placed on their property, and they must repay all taxes and fees with interest before the lien is removed.

This is the second year the state of Oregon has asked participants to recertify their eligibility for the program. Prior to changes the 2011 Legislature made, there was no recertification process; once an applicant was admitted to the program they would remain active until they died, transferred their property to someone else, or moved from their property for reasons not related to health.

Applications and information about the program can be obtained from County Assessor's Offices or online at www.oregon.gov/dor/scd.

Visit www.oregon.gov/dor to get tax forms, check the status of your refund or make tax payments, or call 1-800-356-4222 toll-free from an Oregon prefix (English or Spanish); 503-378-4988 in Salem and outside Oregon; or e-mail, questions.dor@state.or.us. For TTY (hearing or speech impaired), call 1-800-886-7204. Due to the amount of calls the department receives during tax season, you may experience extended waiting times.