



HB 2103 – Senior Deferral Program Changes

Background

The Oregon Property Tax Deferral Program for disabled and senior citizens is intended to benefit lower-income disabled or elderly homeowners by allowing the state to effectively grant a reverse mortgage to pay their annual property taxes. The deferral taxes and accrued interest become payable upon death, a move away from the home for non-medical reasons, or transfer of the property to another. The bill addresses three issues with the program.

1. The program is scheduled to sunset after the 2021-22 tax year. This 2022 sunset date is out far enough that legislation could be brought forward in 2020 or 2021, but delay would unnecessarily prolong uncertainty for stakeholders, and reduce the time period for deferral participants to plan for potentially paying their property taxes beginning in 2022. The concept will remove the 2022 deferral program sunset so the program continues indefinitely.
2. There is no provision for taxpayers to file new deferral applications late and qualify for the program. Seniors often do not realize they lack the funds to pay their taxes until they receive their bill in October. The concept adds a December 1 late filing deadline for late deferral applications, with late fee to the assessor of 10% of the prior year's tax, but not less than \$20 or greater than \$150.
3. County tax collectors do not like being required to pay the entire deferral balance out of property tax collections after the counties foreclose against homesteads for delinquent property taxes. The concept waives requirement that county pay interest accrued between the date the deferral balance becomes delinquent (August 15th following year the participant has been disqualified), and the date a county takes deed in a tax foreclosure.

Stakeholders outreach

The DOR has worked with county tax collectors, assessors, and the Oregon State Bar through their Tax Section Laws Committee.

Agency Contact

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