

HB 2452 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 2/20

WHAT THE MEASURE DOES:

For purposes of eligibility of property for homestead property tax deferral program, creates floor of \$250,000 for maximum allowable real market value of homestead. Directs Department of Revenue to adjust maximum allowable real market value floor annually according to change in Consumer Price Index. Makes changes applicable to tax years beginning on or after July 1, 2019.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The senior and disabled homestead property tax deferral program allows qualified senior or disabled individuals to borrow from the State of Oregon to pay their property taxes. If an individual qualifies for the program, the Oregon Department of Revenue pays the individual's county assessed property taxes on November 15 of each year. A lien is then placed on the property and DOR becomes a security interest holder. Upon disqualification or cancellation from the program, the deferred tax, interest, and fees must be repaid in full before the lien or security interest on the property is released.

To qualify for the deferral program, the real market value (RMV) of the home must be less than specified RMV limitations. The limitations are specific to the county in which the property to be deferred resides and are based on the median value of residential homes in the county. The RMV limits are calculated as a function of years in which taxpayer has resided in the home, with RMV limits increasing as number of years in home increases.