

**HB 2587 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Meek

**House Committee On Revenue**

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**Action Date:** 05/08/19

**Action:** Do Pass the A-Eng bill.

**Vote:** 5-2-0-0

**Yeas:** 5 - Hernandez, Marsh, Nathanson, Smith G, Smith Warner

**Nays:** 2 - Findley, Reschke

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 4/18, 5/8

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**WHAT THE MEASURE DOES:**

Makes exception for certain homesteads of seniors and people with disabilities to prohibition on reverse mortgages for participation in the homestead property deferral program. Allows in those with reverse mortgages executed 2011-2017. Sets 40% equity criteria. Takes effect 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- The effect of the recession on senior homeowners.
- The targeted population of the senior deferral program.
- The current value of the fund.
- How often and how much the Department of Revenue must write off as a result of this program annually.

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

In Oregon, the homestead property tax deferral program, administered by the Department of Revenue pays property taxes for qualified individuals with disabilities or senior citizens who own and occupy their principal residence individuals. Repayment is deferred until the property is sold, or it can be recuperated from the corresponding estate. Currently, reverse mortgages (loans that allow property owners to borrow against the equity in their homes) on properties participating in the program are prohibited except for those executed before 2011.

House Bill 2587-A allows some additional properties participating in the homestead property tax deferral program to be subject to a reverse mortgage if they satisfy an equity component.