

**HB 2454 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 4/28

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**WHAT THE MEASURE DOES:**

Extends sunset of homestead property tax deferral program for certain seniors and persons with disabilities to July 1, 2028. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Disabled and Senior Citizens' property tax deferral program is currently set to sunset July 1, 2021. The program is administered by the Department of Revenue with a dedicated fund that earns interest. The fund currently has a balance of approximately 50 million dollars. The program is not a property tax exemption, and the Department of Revenue pays the property taxes on behalf of the property tax owner for the duration of their participation in the program. The program currently benefits approximately 5,000 Oregonians, paying an estimated \$12.5 million in property taxes annually and receiving repayments of \$16.5 million.

Property owners must qualify under multiple requirements, and must have owned and lived in their home for at least 5 years. Annual household income must be below \$46,500 and total net worth, excluding the value of the homestead must be less than \$500,000. Homeowners must also maintain above 20% equity in their homes. In general, homes with reverse mortgages are not allowed. Legislation passed in 2019 created an exception for reverse mortgages acquired on or after July 1, 2011 and before January 1, 2017 if the owner has at least 40% equity in their home. The application must be filed with the county assessor between January 1st and April 15th. Once in the program, owners are subject to a biannual recertification process.