

Background

Since 1963, the senior and disabled citizens property tax deferral program has allowed qualifying Oregonians to stay in their homes by having the Department of Revenue pay their property taxes to the county in exchange for a lien on the property. The loan is due when the taxpayer moves, sells, or dies. There are nearly 5,000 active program participants, some active since the 1980s. Applicants qualify based on their income, as well as a property-value threshold. The department pays approximately \$13 million per year worth of property taxes under the program. The money is in an Other Funds revolving account with a current balance of approximately \$50 million. The account funds eight positions that support the program.

House Bill 2454

Under current law, the deferral program would sunset for property tax years beginning July 1, 2021. This bill extends the program's sunset from 2021 to property tax years beginning July 1, 2028.

This legislative session, SB 18, SB 118, SB 140, SB 709, and HB 2634 also extend the program sunset, and make various program enhancements.

Recommendation

Without a legislative extension of the program sunset, as proposed in HB 2454 or other bills, the Department of Revenue would communicate with nearly 5,000 program participants that they would be responsible for their property tax payments in 2021.

Agency Contact

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