



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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#### **Senate approves help for struggling senior homeowners** *HB 4039 modifies Senior and Disabled Property Tax Deferral Program*

SALEM – Lawmakers approved legislation this morning providing some vulnerable seniors and disabled homeowners more time to remain on the Senior and Disabled Property Tax Deferral program. In order to protect the solvency of the program, changes were made in 2011 that reduced the number of qualified participants by half, but left many disqualified homeowners with sudden tax bills that they were unprepared to pay. HB 4039 will give many of those homeowners two more years on the program while still maintaining the changes necessary for the long term survival of the property tax deferral program.

“These changes will help many of the seniors who are at risk of losing their homes,” said Senator Ginny Burdick (D-Portland), Chair of the Senate Finance and Revenue Committee. “What is most important today is that with the changes from 2011, and those approved today, we can keep this program running for some of our most vulnerable Oregonians.”

The Senior and Disabled Property Tax Deferral Program allows seniors and disabled individuals who have qualifying incomes and meet other criteria to borrow from the state to pay county property taxes. The program is repaid when the homes are sold. Given the housing crisis of recent years, and increased demand, the program was on the verge of insolvency until the 2011 Legislature made significant changes to protect the core of the program. While the changes maintained program solvency, those changes also created an unexpected hardship for some vulnerable homeowners. HB 4039 addresses some of the gravest concerns by giving a two year relief period to seniors who were disqualified solely because they have reverse mortgages.

“This is a very valuable program to constituents in my district,” said Senator Jackie Dingfelder (D-Portland). “After the changes made last session, these constituents were vocal in their concerns and I’m glad to see us find a legislative approach that provides some temporary relief for our most vulnerable Oregonians.”

Specifically, HB 4039 allows individuals who reapplied to the program and were disqualified solely because of a reverse mortgage to continue to participate in the program for two years. Participants who qualify for this extension will next owe taxes in November 2013. The bill also requires lenders to notify potential borrowers that they will not be able to participate in the deferral program if they have a reverse mortgage.

The bill now goes to the House for concurrence on a technical change made in the Senate.

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