



SENATE MAJORITY OFFICE

Oregon State Legislature
State Capitol
Salem, OR

NEWS RELEASE

February 24, 2014

CONTACT: Tom Powers (503) 986-1074
tom.powers@state.or.us

Senate votes to provide relief to struggling senior homeowners

HB 4148A helps low-income seniors, disabled Oregonians by changing interest rate calculation

SALEM—Today the Oregon Senate gave final legislative approval to HB 4148A, which provides direct relief to hundreds of seniors struggling to stay in their homes. The bill changes the interest rate calculation for seniors participating in the state's property tax deferral program.

"The Senior and Disabled Property Tax Deferral Program helps thousands of seniors who are at risk of losing their homes," said Senator Ginny Burdick (D-Portland), chair of the Senate Finance and Revenue Committee. "The change we're making today provides a measure of fairness for our most vulnerable Oregonians, while maintaining the solvency of the program."

The Senior and Disabled Property Tax Deferral Program allows seniors and disabled individuals who have qualifying incomes and meet other criteria to defer county property taxes; the state is repaid when their homes are sold.

Due to the recent housing crisis, the program was on the verge of insolvency. In response, the Legislature made significant changes to protect the core of the program. While the changes kept the program afloat, those changes also created an unexpected hardship for some vulnerable homeowners. In 2013, the Legislature took steps to expand the program to include more homeowners affected by these recent changes.

"It's our duty to keep the deferral program fund solvent while helping as many people as possible," said Senate Majority Leader Diane Rosenbaum (D-Portland). "Today's vote gives some relief to seniors struggling to stay in their homes."

House Bill 4148A would change the calculation for the rate of interest that the Oregon Department of Revenue charges for deferred taxes. Currently, the department charges compound

interest on debt accrued since 2011. The bill would change the calculation to apply simple interest to these accounts instead of the more costly compound interest calculation.

“By making this change, we are helping more seniors stay in the homes they’ve built their lives around,” said Senator Alan Bates (D-Medford). “The property tax deferral program is tremendously important to my district, and this change will ease the financial burden that seniors face.”

HB 4148A will now go to Governor John A. Kitzhaber for his signature.

###

For more information on the Senate Majority Caucus, please visit www.orsenatemajority.org