

# Senate Bill 58

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes county with population greater than 650,000 to establish homestead property tax deferral program. Provides certain terms for transfer of homesteads from state deferral program. Provides that county deferral program preempts provisions of state deferral program, with certain exceptions.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to homestead property tax deferral; creating new provisions; amending ORS 311.666; and  
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 311.666 to**  
6 **311.701.**

7 **SECTION 2. (1) The governing body of a county with a population greater than 650,000**  
8 **may adopt an ordinance establishing a program for the deferred collection of property taxes**  
9 **on the homesteads of individuals eligible due to age or disability.**

10 **(2) The provisions of a county deferral program rather than ORS 311.666 to 311.701 shall**  
11 **govern the assessment and collection of property taxes for homesteads admitted to the**  
12 **county deferral program.**

13 **(3) A county deferral program may provide for the county to pay to the tax collector of**  
14 **the county an amount equivalent to the deferred taxes on a homestead in the county deferral**  
15 **program, less the discount authorized under ORS 311.505 (3)(b), or to defer the property**  
16 **taxes for collection as additional taxes.**

17 **(4)(a) A county deferral program must provide that a homestead that is located in the**  
18 **county, and that is in deferral under ORS 311.666 to 311.701 on the effective date of the or-**  
19 **dinance establishing the county deferral program, shall be transferred to the county deferral**  
20 **program.**

21 **(b)(A) A homestead transferred to the county deferral program under paragraph (a) of**  
22 **this subsection may not be terminated from the county deferral program unless an event**  
23 **occurs that would have caused the property to lose eligibility for deferral under ORS 311.666**  
24 **to 311.701, as in effect on April 15, 2016.**

25 **(B) Notwithstanding subparagraph (A) of this paragraph, a homestead that would have**  
26 **been terminated under ORS 311.666 to 311.701 does not have to be terminated from the**  
27 **county deferral program if the event is not cause for termination under the county deferral**  
28 **program.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (5) The county deferral program may not have eligibility requirements that would prevent  
 2 granting deferral to a homestead that would be eligible under ORS 311.666 to 311.701, as in  
 3 effect on April 15, 2016.

4 (6) A county deferral program may regulate:

5 (a) In a substantially similar manner, any matter regulated under ORS 311.666 to 311.701,  
 6 other than the provisions governing priority of liens under ORS 311.673 (1) and 311.679 (4) and  
 7 the provisions governing accrual of interest under ORS 311.674 (3), all of which preempt any  
 8 contrary provision of the county deferral program; and

9 (b) Any other matter determined by the governing body of the county to be necessary  
 10 to the county deferral program.

11 (7) A county deferral program may not be adopted for a period less than five consecutive  
 12 years.

13 **SECTION 3.** ORS 311.666 is amended to read:

14 311.666. As used in ORS 311.666 to 311.701:

15 (1) **“County deferral program” means a program for the deferred collection of property**  
 16 **taxes established pursuant to section 2 of this 2015 Act.**

17 [(1)] (2) **“County median RMV”** means the median real market value entered on the last certified  
 18 assessment and tax roll for all residential improved properties in the county in which a homestead  
 19 is located that are classified as 1-0-1 pursuant to the rule adopted by the Department of Revenue  
 20 under ORS 308.215.

21 [(2)] (3) **“Homestead”** means the owner occupied principal dwelling, either real or personal  
 22 property, owned by the taxpayer and the tax lot upon which it is located. If the homestead is located  
 23 in a multiunit building, the homestead is the portion of the building actually used as the principal  
 24 dwelling and its percentage of the value of the common elements and of the value of the tax lot upon  
 25 which it is built. The percentage is the value of the unit consisting of the homestead compared to  
 26 the total value of the building exclusive of the common elements, if any.

27 [(3)] (4) **“Household income”** has the meaning given that term in ORS 310.630.

28 [(4)(a)] (5)(a) **“Net worth”** means the sum of the current market value of all assets, including  
 29 real property, cash, savings accounts, bonds and other investments, after deducting outstanding li-  
 30 abilities.

31 (b) **“Net worth”** does not include the value of a homestead for which deferral is claimed under  
 32 ORS 311.666 to 311.701, the cash value of life insurance policies on the life of a taxpayer or tangible  
 33 personal property owned by a taxpayer.

34 [(5)] (6) **“Person with a disability”** means an individual who has been determined to be eligible  
 35 to receive or who is receiving federal Social Security benefits due to disability or blindness, in-  
 36 cluding an individual who is receiving Social Security survivor benefits in lieu of Social Security  
 37 benefits due to disability or blindness.

38 [(6)] (7) **“Tax-deferred property”** means the property upon which taxes are deferred under ORS  
 39 311.666 to 311.701.

40 [(7)] (8) **“Taxes”** or **“property taxes”** means ad valorem taxes, assessments, fees and charges  
 41 entered on the assessment and tax roll.

42 [(8)] (9) **“Taxpayer”** means an individual who has filed, as an individual or jointly, a claim for  
 43 deferral under ORS 311.666 to 311.701.

44 [(9)(a)] (10)(a) **“Transferee”** means, without limitation, an heir, legatee, devisee, distributee of  
 45 an estate of a deceased individual, the assignee or donee of an insolvent individual or a person

1 acting in a fiduciary capacity on behalf of a transferee.

2 (b) "Transferee" does not mean a bona fide purchaser for value.

3 [(10)] (11) "U.S. City Average Consumer Price Index" means the U.S. City Average Consumer  
4 Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of  
5 the United States Department of Labor.

6 **SECTION 4. This 2015 Act takes effect on the 91st day after the date on which the 2015**  
7 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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