

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2543 - A5**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

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**Measure Description:**

Changes interest rate on amounts of property taxes advanced to counties for tax-deferred property to compounding from simple on amounts deferred after July 1, 2011. Adds additional qualification criteria to homestead property tax deferral program. Caps the annual growth rate of new program participants to five percent. Creates the ability for the DOR to issue a warrant and have the sheriff levy upon and sell any of the real and personal property of a taxpayer to pay amounts owed from the property tax deferral. Allows for the DOR to receive reciprocal offset of federal tax refunds in payment of amounts owed from the property tax deferral. Eliminates transfers to the Oregon Project Independence Fund from the Senior Property Tax Deferral Revolving Account.

**Government Unit(s) Affected:**

Counties, Department of Revenue, Department of Human Services

**Summary of Fiscal Impact:**

Please see analysis

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

The Department of Revenue would require a modification to their existing information technology system to allow for the accurate recording and reconciliation of the two different interest types created by the measure. DOR estimates that the programming, testing and implementation of the system would require 2500 hours at an estimated cost of \$50 per hour for a total of \$125,000.

The Department of Human Services (DHS) reports that the elimination of the transfer of excess funding from the Senior Property Tax Deferral program to the Oregon Project Independence Fund has no fiscal impact to the OPI program because the OPI program received no funding from the SPTD during the present biennium. There may be some unknown impact to the Estate Administration Unit of the DHS due to the erosion of equity of subject properties that are collateral for the mortgages that the unit holds that would be subject to the compounding interest provision of the measure. The amount of this reduction would depend on a number of factors including participation of the subject property owner in both programs. The measure has no fiscal impact on Counties.