

# Property Tax Deferral Programs Annual Report

March 2007

Senior Citizen  
Disabled Citizen  
Special Assessment





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# 2007 Senior and Disabled Property Tax Deferral Programs

## Overview

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### ***Background***

The State of Oregon established programs that allow qualifying citizens to delay paying property taxes on their residences—including manufactured homes, house boats, multifamily, and income-producing properties (e.g., home business). When a landowner qualifies for one of the deferral programs, the state pays the property taxes. The landowner repays to the state the deferred tax plus interest at the time the applicant moves from the property, sells the home, or passes away. The state secures the repayment through a lien placed against the property. The original lien amount is based on a projection of the time in the program. The lien is released once the actual amount of deferred taxes is repaid.

Currently, these programs are open to low-income senior citizens and disabled persons. Seniors may defer their annual property taxes and the costs of public improvements that are charged against their property. These improvements may include sewer or sidewalk installation, road improvements, and more. Low-income disabled citizens can only defer their property taxes.

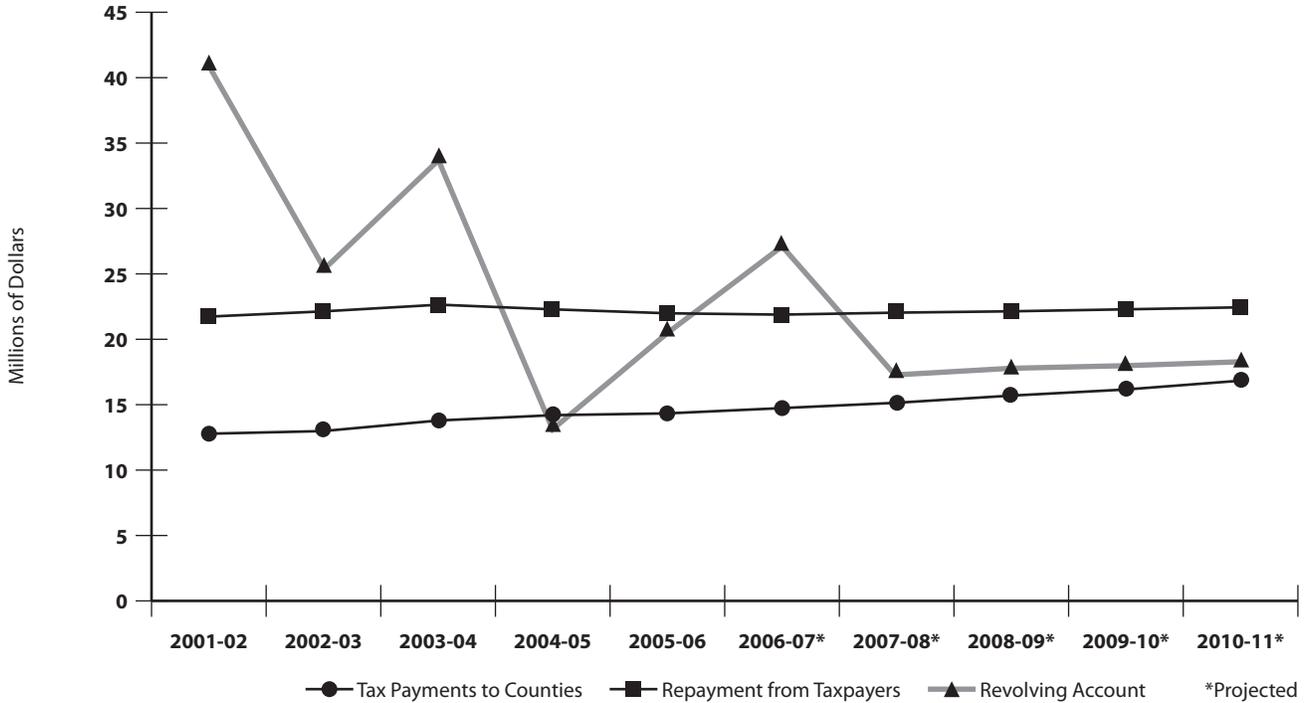
### ***Status and funding***

Overall, the Property Tax Deferral Programs are experiencing a period of stability. The total number of participants in these programs (8,456) has not changed significantly over the past two years. Property tax payments to counties have gone up by 3.4 percent and repayments of deferral accounts decreased slightly by 1.8 percent.

Of the three programs, enrollment in the Senior Property Tax Deferral program decreased slightly—it currently has 7,692 participants. This is 68 less than the prior year. This program is projected to grow, as Baby Boomers get closer to retirement age. The Disabled Property Tax Deferral program continues to grow as people find out about this program. It currently has 712 participants. The Senior Special Assessment program continues to decrease—it currently has 52 participants, which is 16 less than the prior year. This program continues to decrease due to fewer public improvement projects impacting individual properties and also due to the structure of the program. This program contains an interest compounding factor not found in the other programs.

The 2005 Legislature changed the financial base for these programs. Originally, these programs borrowed money from the state's General Fund with the intention of repaying this loan, plus interest, through the amounts repaid by landowners. The 2005 Legislature released the programs from the obligation to repay the General Fund. A stipulation was added to the law that the programs would pay receipts over and above an identified threshold to Oregon Project Independence (OPI). OPI is a program designed to assist seniors with personal care, medication management, meal preparation, shopping, housekeeping, and transportation. An initial payment of \$250,000 was made in January 2006 to create a fund for future payments. The first annual distribution of revenues occurs in January 2008. It is projected that this payment will be approximately \$15.6 million. After this payment, the department will make annual payments to OPI. The second payment is projected to be \$5.4 million. Future payments are anticipated to be in the range of this payment, but will be entirely dependent on the amount of taxes paid and repayments collected. Figure 1 (below) gives a snapshot of the cash flows for the past five years and projections for the next five.

## Revolving Account Dollars vs. Payments vs. Repayments



**Figure 1:** This figure shows the relationship of the Deferral Revolving Account balance to the in-flow and out-flow of money including projections for all programs. The Revolving Account balance should stabilize with the transfer of money to OPI.

### **Program Improvements**

We have completed the process of redesigning our website. We hope to provide more information to not only potential participants in these programs, but information that title companies and county staff can use to interact with these programs. Our newest tool on the website will be a tool that allows a person to determine the current balance of their deferral account. We think this will be useful to the account participants and their families, as well as title companies assisting with deferral account payoffs.

You may contact the Senior and Disabled Property Tax Deferral Programs for any questions about the programs we administer, including questions about this report.

## **What are Oregon’s Deferral Programs?**

### **Senior and Disabled Deferral Programs**

The Oregon Department of Revenue (DOR) administers the Senior and Disabled Deferral Programs.

If a citizen qualifies for one of the deferral programs, the state will pay their property taxes to the county. A lien is placed against the property. The taxpayer is charged a lien recording fee, and interest on the deferred taxes of 6 percent per year. The recording fee and interest are also deferred.

The deferred taxes and fees are repaid when any one of the following events occurs: (repayment of taxes and fees becomes due August 15 after the calendar year any one of these events occurs)

1. The taxpayer receiving the deferral dies. (Note: a surviving spouse may qualify to continue deferring the taxes).
2. The property is sold or in some other way changes ownership.
3. The taxpayer ceases to live permanently on the property.

Program participants receive account statements from DOR annually in December. This updates the participants on the amount of tax being deferred and interest accrued on their account.

**Applicant Qualifications:**

- Application for deferral must be made through the local county assessor's office between January 1 and April 15 (annual re-application is not required once a participant is in the program);
- For the **Disabled Citizen’s Property Tax Deferral**, applicants must be determined eligible to receive, or are receiving federal Social Security disability benefits on or before April 15 of the application year.
- For the **Senior Citizens’ Property Tax Deferral**, applicants must be age 62 on or before April 15 of the application year.
- Applicants must meet approved income limits for taxable and nontaxable income. (Note: An annual income test must be met once a participant is in the program);
- Applicants must have a recorded deed to the property, or be buying the property under a recorded sales contract. A revocable trust is allowed; and
- The applicant must live on the property (qualifying medical absence is allowed).

**Program Trends**

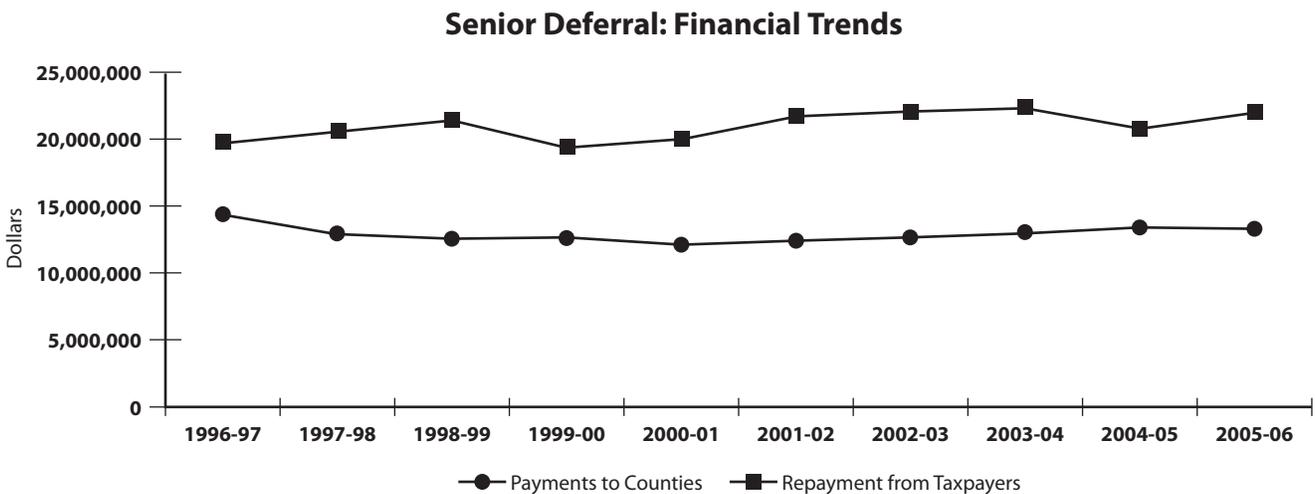


Figure 2: Senior Deferral Program—Shows the in-flow and out-flow of funds over a 10-year period.

### Senior Deferral: Number of Participants

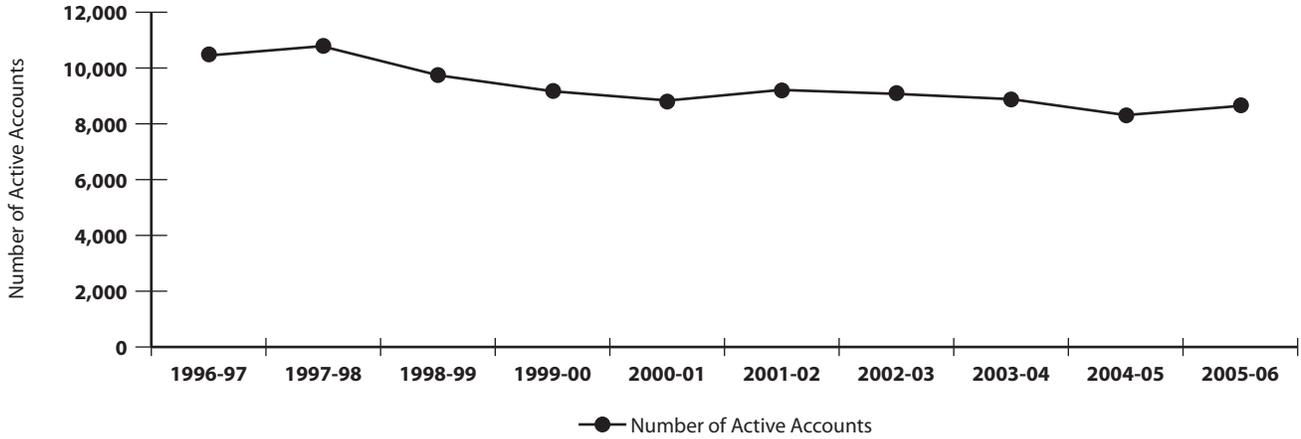


Figure 3: Senior Deferral Program—Shows the number of active accounts for a 10-year period.

### Disabled Deferral: Financial Trends

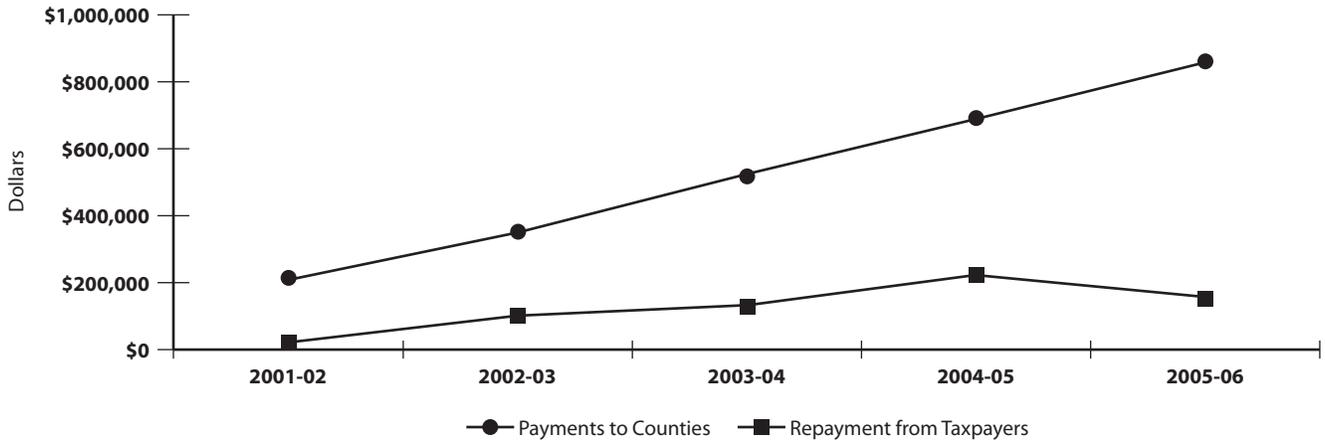


Figure 4: Disabled Deferral Program—Shows the in-flow and out-flow of funds over a 5-year period.

### Disabled Deferral: Number of Participants

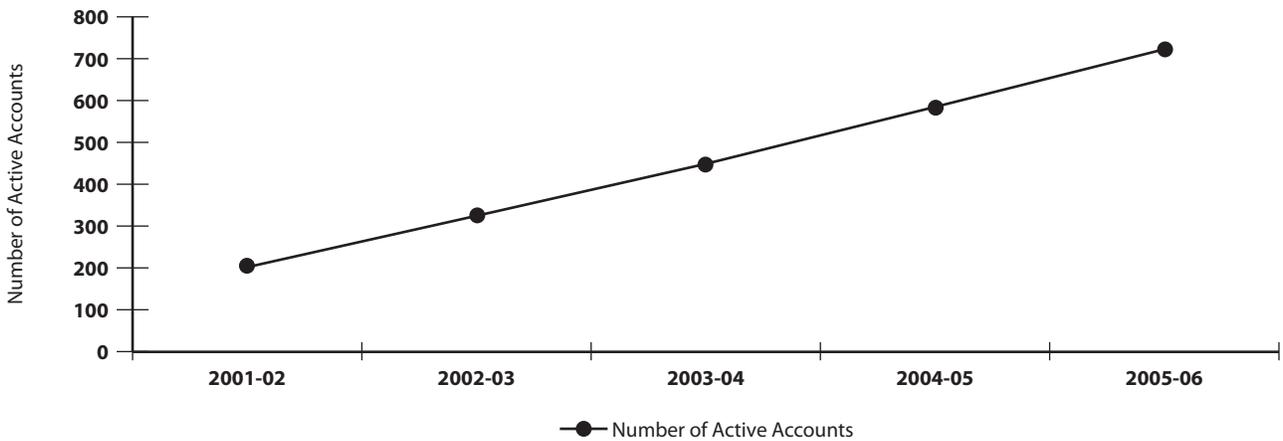


Figure 5: Disabled Deferral Program—Shows the number of active accounts for a 5-year period.

## Special Assessment Deferral Program

Homeowners age 62 or older may “borrow” from the state to pay for public improvement assessments charged against their property. These assessments are from a city, county, sanitary district, or other taxing district for improvements such as paved streets, sidewalks, and sewers. The assessments are usually large and homeowners may need to make installment payments over several years.

If a citizen qualifies for the Special Assessment program, the state will pay the assessment installments to the taxing district. A lien is placed on the property. The citizen repays the assessment fees, 6 percent interest, and lien recording fees when they move from or sell the property, another change of ownership occurs, or they pass away.

Qualifications to apply for the program are similar to the Senior Citizen Property Deferral program. Taxpayers may apply for the program between October 1 and December 1 at the taxing district office billing for the improvement.

DOR pays the special assessment installments to taxing districts twice per year, in February and August. Program participants receive DOR account statements annually in December.

### Special Assessment Deferral: Financial Trends

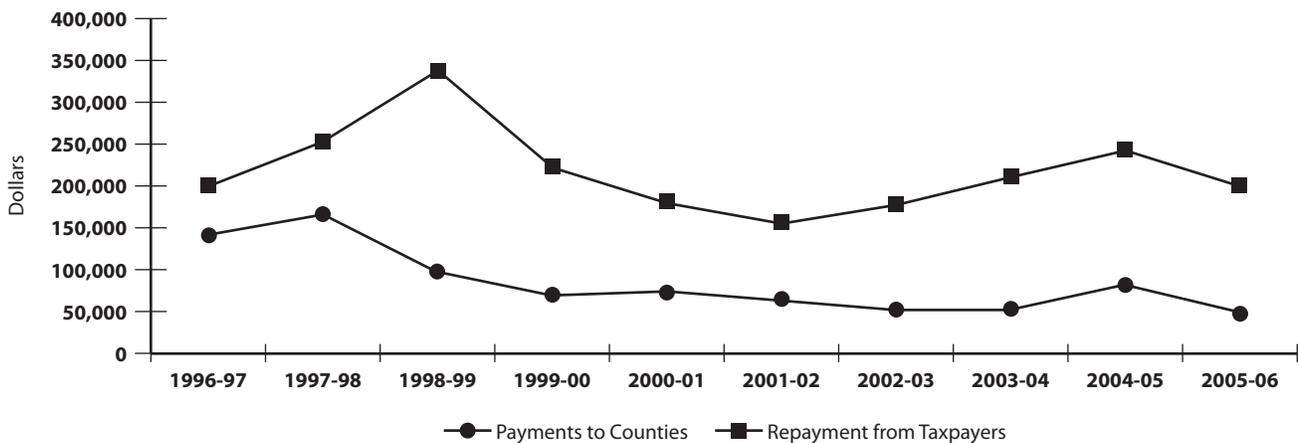


Figure 6: Special Assessment Deferral Program—Shows the in-flow and out-flow of funds over a 10-year period.

### Special Assessment Deferral: Number of Participants

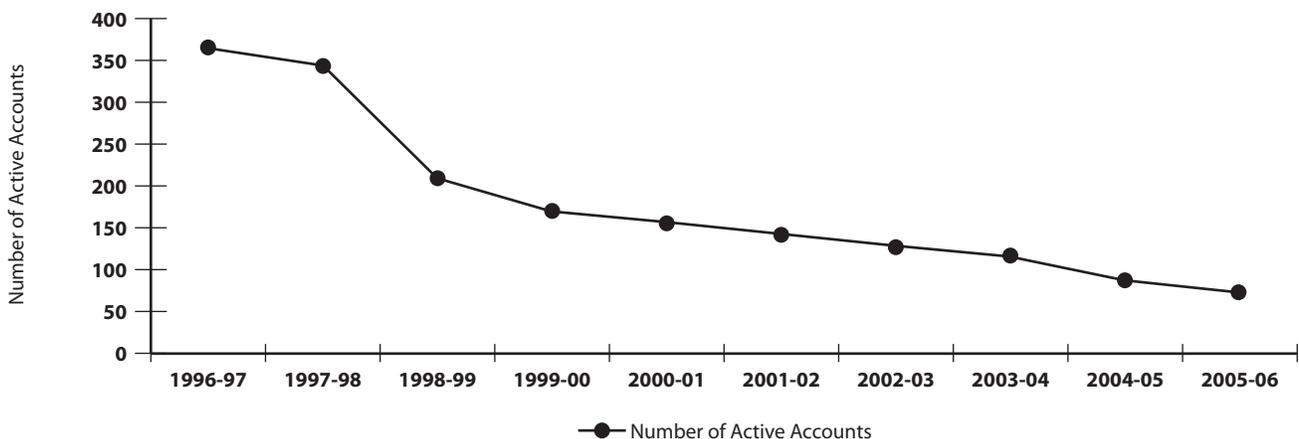


Figure 7: Special Assessment Deferral Program—Shows the number of active accounts for a 10-year period.

# **Responsibilities within the Deferral Programs**

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## ***Senior or Disabled person:***

- Provides application information, including household income, to county of residence.
- Notifies the Department of Revenue of address changes, changes to property ownership, and long-term absences from the residence for medical reasons.
- Provides annual income information when requested.
- Notifies Department of Revenue of intent to cancel from the program (if needed).

## ***The Counties:***

- Review applications; provide legal description and tax account information; and forward to Department of Revenue.
- Notify Department of Revenue of changes in ownership.
- Provide tax amounts to be paid to Department of Revenue annually.
- Inform Department of Revenue of foreclosures.
- Pay deferred taxes when the foreclosure is initiated by the county.

## ***The Department of Revenue:***

- Supervises and administers the deferral programs, ensuring that the programs comply with statutory requirements.
- Processes and approves deferral applications received from the counties and taxing districts.
- Manages account maintenance— setting up new accounts; reviewing account status, lien recordings, and releases; verifies income limits; and tests taxpayer accounts for excess income limits, continued eligibility, etc.
- Assists citizens who inquire about the programs or their accounts.
- Works cooperatively with counties, Department of Veterans Affairs, title companies, mortgage companies, U.S. Department of Agriculture, and others in order to resolve account issues and provide education about the program.
- Processes timely property tax or assessment payments to the counties and the taxing districts.
- Provides fiscal accountability for the deferral programs.
- Transfers money to Oregon Project Independence annually

## Appendix A: Revolving Account Summary for the Senior, Disabled, and Special Assessment Programs

Fiscal Year	Property Tax Payments to Counties/Taxing Districts	% of Payment Change	Taxpayer Repayment	% of Repayment Change	Ending Fiscal Year Revolving Cash Account Balance	OPI**	Fund Appropriation
1982-83	\$1,382,744	N/A	\$1,529,190	N/A	\$226,305		N/A
1983-84	13,816,137	89.99%	2,647,038	42.23%	2,252,075		N/A
1984-85	14,730,321	6.21%	4,017,512	34.11%	6,272,536		N/A
1985-86	15,840,107	7.01%	5,858,936	31.43%	4,684,862		\$8,400,000
1986-87	16,653,226	4.88%	9,320,417	37.14%	5,359,353		8,007,000
1987-88	18,393,213	9.46%	9,933,568	6.17%	7,099,820		10,200,000
1988-89	19,409,900	5.24%	11,116,549	10.64%	7,906,468		9,100,000
1989-90	20,163,847	3.74%	15,346,730	27.56%	13,316,349		10,227,000
1990-91	18,383,129	-9.69%	15,603,371	1.64%	11,008,628		3,000,000
1991-92	17,684,657	-3.95%	17,051,327	8.49%	12,899,867		2,000,000
1992-93	17,084,951	-3.51%	18,484,085	7.75%	14,299,001		2,000,000
1993-94	16,057,838	-6.40%	20,021,832	7.68%	18,262,995		1,282,801
1994-95	14,739,618	-8.94%	18,351,826	-9.10%	21,875,202		1,282,801
1995-96	13,518,981	-9.03%	18,712,224	1.93%	21,788,139		(5,000,000)
1996-97	14,702,523	8.05%	19,901,161	5.97%	21,595,302		(5,000,000)
1997-98	13,260,035	-10.88%	20,788,200	4.27%	28,746,407		—
1998-99	12,832,015	-3.34%	21,718,954	4.29%	38,316,783		—
1999-00	12,443,192	-3.12%	19,540,671	-11.15%	42,952,898		—
2000-01	12,392,295	-0.41%	20,171,563	3.13%	33,011,514		(17,000,000)
2001-02	12,834,644	3.45%	21,792,266	7.44%	41,268,271		—
2002-03	13,195,587	2.74%	22,204,930	1.86%	25,729,258		(24,000,000)
2003-04	13,783,142	4.26%	22,647,186	1.95%	34,125,462		—
2004-05	14,321,711	3.76%	22,287,796	-1.61%	13,899,843		(27,700,000)
2005-06	14,397,413	0.53%	21,992,524	-1.34%	20,898,381	\$(250,000)	
2006-07*	14,807,754	2.77%	21,884,231	-0.49%	27,431,809		
2007-08*	15,272,390	3.04%	22,129,824	1.11%	17,654,117	(15,676,018)	
2008-09*	15,806,923	3.38%	22,185,723	0.25%	17,973,814	(5,373,724)	
2009-10*	16,360,165	3.38%	22,340,121	0.69%	18,249,433	(5,005,249)	
2010-11*	16,932,771	3.38%	22,486,727	0.65%	18,489,484	(4,600,836)	

\* Projected

\*\* Oregon Project Independence (OPI)—Future funds will be allocated into the Oregon Project Independence Fund instead of the General Fund due to a law change. (ORS 311.701 (5)(b)).

### Summary of Deferral Programs Annual County Payments vs. Taxpayer Repayments

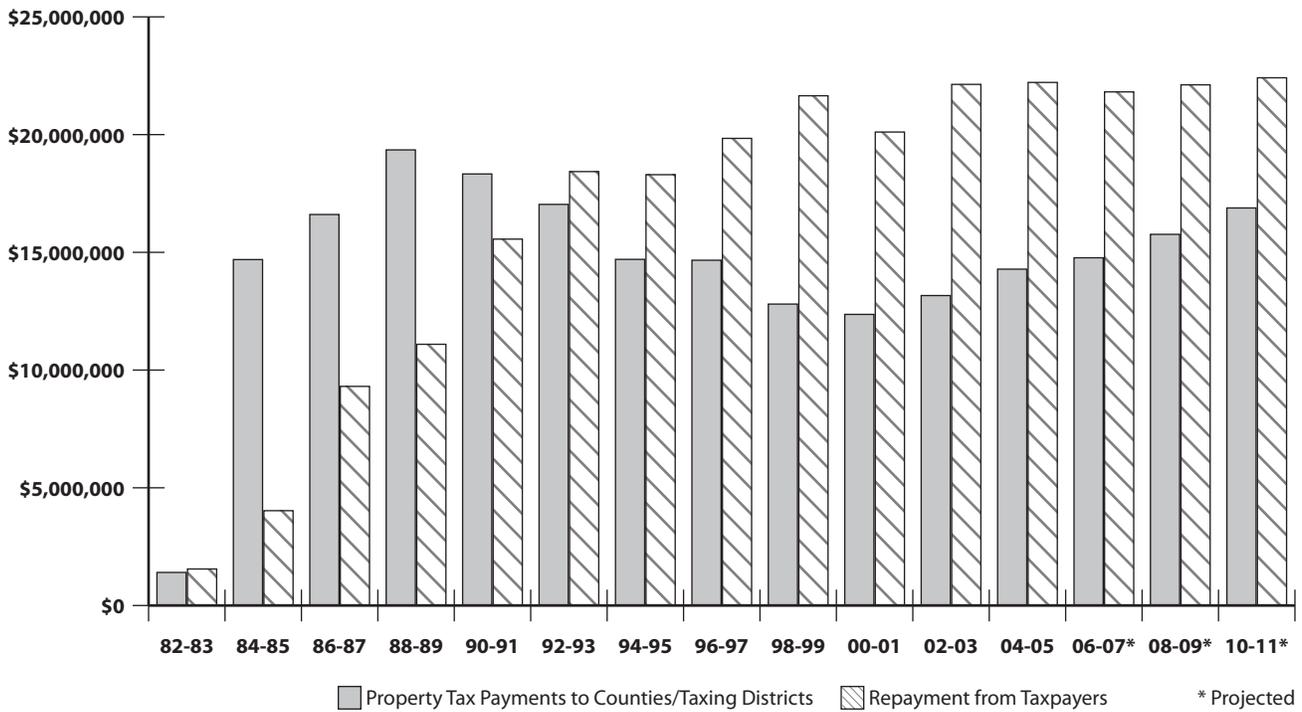


Figure 8: This figure shows the historical and projected in-flows and out-flows of funds since the Department of Revenue took over the administration of these programs.

### Monthly Cash Balances July 2005–June 2007

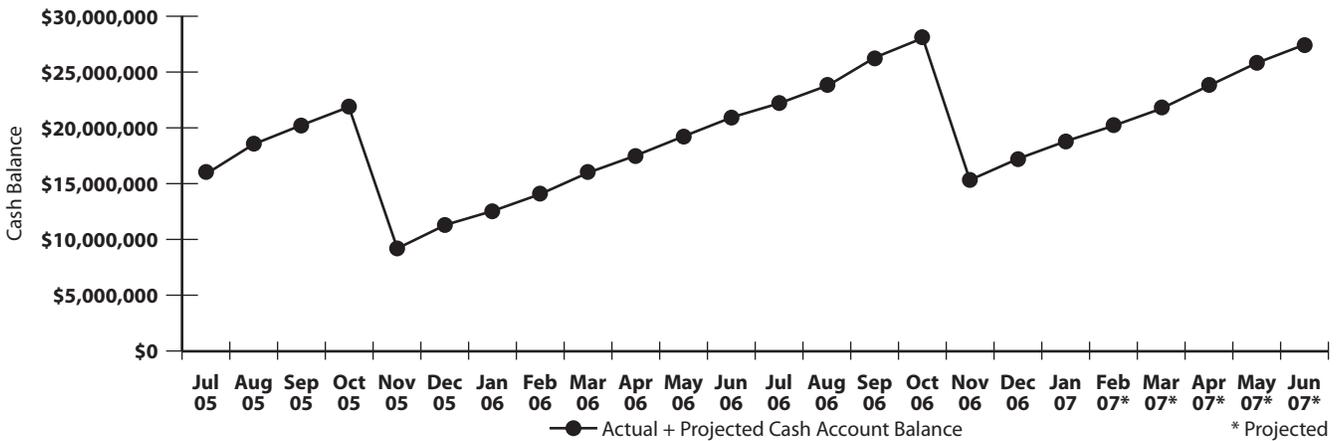


Figure 9: Shows the cash flow by month over a 2-year period. November drop reflects the property tax payment made to counties.

# Appendix B: Senior Citizen's Property Tax Deferral

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## Account Activity

Account Status*	2006*	2005	2004	2003	2002
New Applications					
Approved	1,217	1,198	1,131	1,116	1,117
Denied	100	78	78	69	73
Active Accounts (Includes New Applications as of December 31)	7,692	7,760	7,836	7,927	8,107
Number of Excess Income Accounts	66	49	30	56	109
Cancelled Liabilities	32	45	107	36	40
Released Accounts	1,821	1,620	1,803	1,545	1,356

\* Account Status: by calendar year

## 2006 Cancellation Detail

Reason for Liability to be Cancelled	Accounts Cancelled	Cancelled Tax	Cancelled Fees	Cancelled Interest
Abandoned Manufactured Structures	7	\$(29,913)	\$(95)	\$(14,854)
Deceased - No Assets	2	\$(3,378)	\$(25)	\$(1,606)
Foreclosures	2	\$(5,110)	\$(30)	\$(633)
Miscellaneous	13	\$(53)	\$(216)	\$-
Uncollectible	8	\$(11,498)	\$(155)	\$(2,211)

\*As of December 31, 2006

## County Payment Summary

County	2006/2007*			2005/2006		
	County Accounts Paid	Amount Paid	Average Per Account	County Accounts Paid	Amount Paid	Average Per Account
Baker	43	\$40,216	935	46	\$41,127	894
Benton	109	189,074	1,735	112	201,819	1,802
Clackamas	771	1,494,666	1,939	750	1,428,272	1,904
Clatsop	126	182,790	1,451	120	165,071	1,376
Columbia	84	115,496	1,375	79	104,240	1,319
Coos	252	236,933	940	259	239,687	925
Crook	93	116,210	1,250	95	111,983	1,179
Curry	77	87,715	1,139	85	92,820	1,092
Deschutes	286	423,200	1,480	292	416,142	1,425
Douglas	314	274,242	873	286	239,522	837
Gilliam	3	2,061	687	2	877	438
Grant	16	14,310	894	16	13,680	855
Harney	12	8,842	737	14	10,193	728
Hood River	27	34,205	1,267	27	36,494	1,352
Jackson	477	681,883	1,430	515	660,423	1,282
Jefferson	61	81,410	1,335	63	76,248	1,210
Josephine	223	194,629	873	210	168,517	802
Klamath	200	121,263	606	206	119,431	580
Lake	8	5,834	729	9	6,692	744
Lane	893	1,220,700	1,367	877	1,163,392	1,327
Lincoln	222	279,818	1,260	218	273,361	1,254
Linn	381	516,316	1,355	378	487,520	1,290
Malheur	28	19,065	681	26	17,030	655
Marion	584	900,936	1,543	591	878,129	1,486
Morrow	16	10,918	682	16	10,377	649
Multnomah	1961	4,398,297	2,243	2023	4,392,407	2,171
Polk	153	227,296	1,486	157	227,357	1,448
Sherman	5	1,817	363	5	1,815	363
Tillamook	65	64,771	996	74	65,850	890
Umatilla	104	118,071	1,135	109	117,916	1,082
Union	45	39,567	879	45	37,216	827
Wallowa	11	13,236	1,203	10	10,429	1,043
Wasco	61	83,780	1,373	58	76,198	1,314
Washington	714	1,288,632	1,805	704	1,340,204	1,904
Wheeler	7	5,511	787	3	2,310	770
Yamhill	191	257,582	1,349	186	241,275	1,297
<b>Totals</b>	<b>8,623</b>	<b>\$13,751,293</b>		<b>8,666</b>	<b>\$13,476,021</b>	

\* Actual Payments as of December 31, 2006

## Yearly Summary History: 1964–2006

Fiscal Year	Number of Active Accounts	Payment to Counties	Average Paid Per Account	Taxpayer Repayment
1964-65	142	\$12,202	\$86	N/A
1965-66	199	18,419	93	N/A
1966-67	215	20,983	98	N/A
1967-68	195	21,770	112	N/A
1968-69	N/A	N/A	N/A	N/A
1969-70	N/A	N/A	N/A	N/A
1970-71	288	56,000	194	N/A
1971-72	280	92,480	330	N/A
1972-73	284	103,616	365	N/A
1973-74	258	98,820	383	N/A
1974-75	260	119,527	460	N/A
1975-76	262	144,383	551	N/A
1976-77	637	381,427	599	N/A
1977-78	814	656,693	807	\$65,686
1978-79	1,976	1,670,137	845	273,127
1979-80	4,000	2,617,934	654	370,277
1980-81	6,046	4,373,007	723	558,734
1981-82	7,097	6,505,010	917	832,703
1982-83	8,827	9,736,867	1,103	N/A
1983-84	10,976	12,967,485	1,181	3,811,723
1984-85	11,603	14,342,648	1,236	3,959,307
1985-86	12,228	15,417,212	1,261	5,778,529
1986-87	12,632	16,196,690	1,282	9,141,048
1987-88	12,738	18,262,231	1,434	9,831,117
1988-89	13,092	19,167,276	1,464	10,969,941
1989-90	13,165	19,911,799	1,512	15,066,300
1990-91	12,976	18,167,010	1,400	15,394,194
1991-92	12,039	17,461,208	1,450	16,677,376
1992-93	12,181	16,924,316	1,389	18,193,510
1993-94	11,681	15,876,786	1,359	19,765,010
1994-95	11,216	14,571,349	1,299	17,862,662
1995-96	10,763	13,347,828	1,240	18,405,095
1996-97	10,520	14,559,917	1,384	19,700,975
1997-98	10,823	13,093,274	1,210	20,535,456
1998-99	9,769	12,734,020	1,304	21,381,833
1999-00	9,184	12,732,838	1,386	19,317,567
2000-01	8,822	12,319,713	1,396	19,990,648
2001-02	9,215	12,555,386	1,362	21,603,097
2002-03	9,117	12,791,203	1,403	21,923,171
2003-04	8,900	13,212,077	1,485	22,307,181
2004-05	8,300	13,556,501	1,633	20,676,359
2005-06	8,666	13,476,021	1,555	21,931,191

## Appendix C: Disabled Citizens' Property Tax Deferral

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### Account Activity

Account Status*	2006*	2005	2004	2003	2002
New Applications					
Approved	182	184	189	155	126
Denied	28	42	36	27	30
Active Accounts (Includes New Applications as of December 31)	712	633	524	387	281
Number of Excess Income Accounts	8	3	3	0	2
Cancelled Liabilities	3	9	11	4	2
Released Accounts	95	96	70	57	36

\* Account Status: by calendar year

### 2006 Account Cancellation Detail

Reason for Liability to be Cancelled	Accounts Cancelled	Cancelled Tax	Cancelled Fees	Cancelled Interest
Abandoned Manufactured Structures	-	\$-	\$-	\$-
Deceased - No Assets	-	\$-	\$-	\$-
Foreclosures	1	\$(994)	\$(40)	\$(134)
Miscellaneous	1	\$-	\$(40)	\$-
Uncollectible	1	\$(929)	\$(40)	\$(102)

\*As of December 31, 2006

## County Payment Summary

County	2006/2007*			2005/2006		
	County Accounts Paid	Amount Paid	Average Per Account	County Accounts Paid	Amount Paid	Average Per Account
Baker	8	\$3,546	\$443	6	\$2,497	\$416
Benton	11	14,270	1,297	11	13,061	1,187
Clackamas	49	69,723	1,423	44	63,532	1,444
Clatsop	11	12,868	1,170	8	9,583	1,198
Columbia	10	12,357	1,236	11	12,559	1,142
Coos	24	21,345	889	18	12,679	704
Crook	5	9,049	1,810	4	5,249	1,312
Curry	11	10,758	978	12	10,139	845
Deschutes	42	52,811	1,257	33	41,766	1,266
Douglas	31	24,512	791	29	22,781	786
Gilliam	0	0	0	0	0	0
Grant	2	942	471	2	917	459
Harney	0	0	0	0	0	0
Hood River	2	2,863	1,432	2	2,889	1,445
Jackson	47	58,143	1,237	51	56,056	1,099
Jefferson	6	5,923	987	3	4,126	1,375
Josephine	15	12,030	802	20	13,305	665
Klamath	27	14,679	544	27	14,766	547
Lake	2	1,434	717	2	1,374	687
Lane	119	124,216	1,044	107	109,597	1,024
Lincoln	37	28,103	760	33	19,243	583
Linn	37	36,525	987	31	28,306	913
Malheur	4	1,742	436	4	1,048	262
Marion	34	42,950	1,263	34	41,450	1,219
Morrow	1	992	992	2	2,432	1,216
Multnomah	181	333,198	1,841	159	283,979	1,786
Polk	8	9,259	1,157	5	5,275	1,055
Sherman	2	1,430	715	2	1316.08	658
Tillamook	2	1,557	779	1	808.20	808
Umatilla	8	10,407	1,301	5	4,234	847
Union	4	4,074	1,018	3	3,167	1,056
Wallowa	3	1,539	513	1	789	789
Wasco	5	5,639	1,128	7	8,131	1,162
Washington	32	44,496	1,391	32	49,419	1,544
Wheeler	0	0	0	0	0	0
Yamhill	27	36,373	1,347	14	13,968	998
<b>Totals</b>	<b>807</b>	<b>\$1,009,752</b>		<b>723</b>	<b>\$860,444</b>	

\* As of December 31, 2006

## Yearly Summary History: 2001–2006

Fiscal Year	Number of Active Accounts	Payment to Counties	Average Paid Per Account	Taxpayer Repayment
2001-02	206	\$214,446	\$1,041	\$24,032
2002-03	326	351,930	1,080	104,276
2003-04	448	517,347	1,155	128,840
2004-05	584	691,349	1,184	224,502
2005-06	723	860,444	1,190	156,015

## Appendix D: Senior Citizens' Special Assessment Deferral

### Account Activity

Account Status*	2006	2005	2004	2003	2002
New Applications					
Approved	3	5	4	12	14
Denied	0	0	1	0	0
Active Accounts	52	68	79	96	121
Number of Excess Income Accounts	0	0	0	N/A	N/A
Cancelled Liabilities	0	0	3	1	2
Released Accounts	27	37	54	50	33

\* Account Status: by calendar year

### 2006 Account Cancellation Detail

Reason for Liability to be Cancelled	Accounts Cancelled	Cancelled Tax	Cancelled Fees	Cancelled Interest
Abandoned Manufactured Structures	—	—	—	—
Deceased - No Assets	—	—	—	—
Foreclosures	—	—	—	—
Miscellaneous	—	—	—	—
Uncollectible	—	—	—	—

\*As of December 31, 2006

## Taxing District Payment Summary

Taxing District	2006/2007*			2005/2006**		
	Taxing Dist. Accounts Paid*	Amount Paid	Average Per Account	Taxing Dist. Accounts Paid**	Amount Paid	Average Per Account
City of Albany	1	332	332	5	\$1,834	367
City of Bandon	1	238	238	2	\$477	238
City of Bend	4	1,313	328	12	\$5,071	423
City of Florence	2	639	319	4	\$1,334	334
City of Gresham	2	261	131	6	\$1,297	216
City of Medford	1	357	357	2	\$713	357
City of Pendleton	1	411	411	2	\$823	411
City of Portland	32	6,438	201	84	\$29,336	349
City of Seaside	1	155	155	2	\$322	161
City of Tigard	1	758	758	2	\$1,516	758
Clackamas River Water	1	357	357	2	\$733	367
Deschutes County	2	1,912	956	1	\$1,138	1,138
Jackson County Clerk	1	327	327	1	\$654	654
Rogue Valley	3	1,060	353	4	\$2,121	530
<b>Totals</b>	<b>\$53</b>	<b>\$14,559</b>		<b>132</b>	<b>\$47,370</b>	

\* Account Payments for August 2006

\*\* Account Payments for February 2006 and August 2005

## Yearly Summary History: 1977–2006

Fiscal Year	Number of Active Accounts	Payment to Taxing Districts	Average Paid Per Account	Taxpayer Repayment
1977-78	30	\$5,304	\$177	N/A
1978-79	111	6,197	56	N/A
1979-80	168	31,438	187	N/A
1980-81	184	64,812	352	N/A
1981-82	246	108,702	442	N/A
1982-83	389	255,251	656	N/A
1983-84	404	307,497	761	\$52,462
1984-85	430	366,978	853	58,205
1985-86	501	368,146	735	80,407
1986-87	419	283,619	677	179,369
1987-88	422	231,167	548	102,451
1988-89	396	242,624	613	146,608
1989-90	393	252,048	641	280,430
1990-91	379	219,512	579	209,177
1991-92	411	223,449	544	373,951
1992-93	476	160,635	337	290,575
1993-94	495	181,052	366	256,822
1994-95	504	168,269	334	489,164
1995-96	431	171,153	397	307,129
1996-97	365	142,606	391	200,186
1997-98	343	166,761	486	252,744
1998-99	209	97,995	469	337,121
1999-00	170	70,354	414	223,104
2000-01	155	72,582	468	180,915
2001-02	141	64,811	460	156,120
2002-03	126	52,328	415	177,483
2003-04	116	53,717	463	211,164
2004-05	87	81,883	941	243,887
2005-06	73	47,370	649	200,590

## Appendix E: Deferral Program History Timeline

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### ***Senior and Disabled Citizen's Property Tax Deferral Program:***

- 
- 1964 • Senior Citizen Deferral (SCD) begins; administered by the Secretary of State.
- 
- 1978 • Program moves to the Oregon Department of Revenue.  
• Income limit set: \$1,800 per year allowable income from the property.  
• Liens issued for each account July 1 of each year.
- 
- 1983 • Initiation of Delay of Foreclosure: property taxes delinquent to the county before SCD application is received may be deferred.
- 
- 1984 • Application income limit: Less than \$17,500 per household, taxable and nontaxable.
- 
- 1990 • Application income limit: Less than \$18,500 per household, taxable and nontaxable.  
• Active account annual income limit: \$24,000 federally adjusted gross income (FAGI).  
• If the FAGI limit is exceeded, taxpayer pays all property taxes due for that year. Taxpayer may reactivate deferral the following year if the FAGI falls below limit.  
• July 1, new liens issued on all accounts: lien amount calculated is an estimate of future taxes to be paid, interest to be charged, and lien recording fees based on life expectancy tables.
- 
- 1991 • Application income limit: Less than \$19,500 per household, taxable and nontaxable.
- 
- 1996 • Application income limit: Less than \$24,500 per household, taxable and nontaxable.  
• Active account annual income limit: \$29,000 FAGI.
- 
- 2001 • Disabled Citizen's Property Tax Deferral Program begins.  
• Lien is 90 percent of Real Market Value (RMV).  
• Application income limit: Less than \$27,500 per household, taxable and nontaxable.  
• Active account annual income limit: \$32,000 FAGI.  
• If the FAGI is exceeded: deferral tax payments are reduced to \$0.50 for each dollar exceeded over \$32,000. If excess income exceeds the property tax owing, the account is disqualified for the year.  
• 2001 Legislation revised both the application and the annual household income limitation.  
• The application household income limit will be calculated annually, using the Consumer Price Index (CPI) of the first six months of the prior year compared to the first six months of the current year. The annual household income limit will use the same calculation and continue to be based on the taxpayer's annual FAGI.
- 
- 2002 • Application income limit: Less than \$32,000 per household, taxable and nontaxable.
- 
- 2003 • Application income limit: \$32,500.
- 
- 2004 • Application income limit: \$33,000.  
• Active account annual income limit: \$33,000 FAGI.
- 
- 2005 • Application income limit: \$34,000.  
• Active account annual income limit: \$34,000 FAGI.
- 
- 2006 • Application income limit: \$35,000.  
• Active account annual income limit: \$35,000 FAGI.
- 
- 2007 • Application income limit: \$36,500.  
• Active account annual income limit: \$36,500 FAGI.

## **Senior Citizen's Special Assessment Deferral:**

- 
- 1977
- Program begins.
  - No income qualification.
  - No delay of foreclosure available.
  - DOR will pay delinquent assessments if applied for at time of initial application only.
- 
- 1984
- Application income limit: Less than \$17,500 per household, taxable and nontaxable.
- 
- 1986
- Requirement of applicant to file annually removed.
  - Removed: bonding officer provides renewal installment information for each year.
- 
- 1987
- Liens issued on all accounts beginning January 1.
- 
- 1997
- New applications filed between October 1 and December 1.
  - No renewal requirement.
  - Installment payments made in January and July.
  - All accounts owing the taxing district less than \$1,000 paid.
- 
- 2001
- 2001 Legislation revised the both the application and the annual household income limitation.
  - The application household income limit will be calculated annually, using the Consumer Price Index (CPI) of the first six months of the prior year compared to the first six months of the current year. The annual household income limit will use the same calculation and continue to be based on the taxpayer's annual FAGI.
- 
- 2002
- Application income limit: Less than \$32,000 per household, taxable and nontaxable.
- 
- 2003
- Application income limit: \$32,500.
  - Active account annual income limit: \$32,500 FAGI.
- 
- 2004
- Application income limit: \$33,000.
  - Active account annual income limit: \$33,000 FAGI.
- 
- 2005
- Application income limit: \$34,000.
  - Active account annual income limit: \$34,000 FAGI.
- 
- 2006
- Application income limit: \$35,000.
  - Active account annual income limit: \$35,000 FAGI.
- 
- 2007
- Application income limit: \$36,500.
  - Active account annual income limit: \$36,500 FAGI.