Senior and Disabled Deferral Program

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How does the Program Work?

As a **senior** or **disabled citizen, you** can borrow from the State of Oregon to have your property taxes paid to the county.

If you qualify for the program, DOR will pay your county property taxes on November 15th of each year.

- A **lien** is recorded against the property and DOR will become a security interest holder.
- Upon disqualification or cancellation from the program, the balance must be paid in full before the lien is released from the property.

Who Qualifies?

To qualify for the program, the applicant must meet **all** of the following requirements by **April 15th** of the year of application:

1. Be either:
   - **62 years old**, or
   - A **disabled citizen**, who is receiving federal Social Security Disability benefits.

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Who qualifies (continued)

2. You must own the property and have a recorded deed in your name.

3. You must have both owned and lived on the property for at least 5 years. (If you live away from the property, you need to provide a medical statement from your healthcare provider).

4. You must have homeowners' insurance that covers fire and other casualty.

Who qualifies (continued)

5. Your home must meet the RMV allowable limit based upon each county's real market value median and the number of years owned.

6. Your household income must not exceed the annual limit (2023 limit is $55,500). Income includes all taxable and non-taxable income of the applicant(s) and their spouse(s).

7. The applicant's net worth must be **$500,000 or less**. (This does not include the value of the home they reside in)

8. Either:

- You don't have a reverse mortgage, or
- You were on the Property Tax Deferral program with a reverse mortgage prior to 2011 (HB2510 or HB4039), or
- You are applying for the program with a reverse mortgage acquired between July 1, 2011 - December 31, 2016. *(HB2587 - Various factors apply to be eligible.)

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Joint Owners

- **For the Senior Deferral Program:**
  - If you own the property with someone else, all owners must apply jointly and meet all the qualifications.
- **For the Disabled Deferral Program:**
  - Only one owner must be disabled, but **all joint owners must apply** with the disabled applicant. However, the joint owner applying does not need to meet age or disability requirements.
- **Both programs:**
  - These requirements do not apply to joint owners who are married or registered domestic partners (RDP). The spouse or RDP is not required to apply, but must qualify for the program if they do apply.

Application Process

File a completed application with the county assessor's office: January 1st to April 15th.

- The county will **date stamp** each application with the received date.
- The county will verify the applicant is the owner on record and completes the county section of the application. They will include the deed showing ownership with the application.
- The county also includes all current year property tax statements for the property being applied for deferral.
- The assessor **signs the application** and **forwards it to DOR** for processing.
- DOR will determine if the property is **eligible** for deferral.

Liens

- The DOR will record a lien for each approved property.
  - The lien attaches to the property on July 1.
  - Lien fees are charged to the deferral account.
  - The lien documents are sent to the County Clerk's Office to be recorded.

Recertification

- Taxpayers are required to recertify every 2 years, proving program requirements are met.
- Those that do meet the program requirements keep their “active” status.
- Those that do not meet the program requirements are inactivated and given an “inactive” status.

What does it mean to be inactivated from the deferral program?

- A person is inactivated from the deferral program if they fail to recertify or no longer meet program eligibility requirements.
- Taxpayer will be responsible for paying that year(s) property taxes to the county.
- An inactivated person may be able to reinstate their account by reapplying for the program the following year or by filing a late application starting in 2022.

Application Late Filing
HB 2634
April16 - December 1

Starting in 2022, the deferral program now offers late filing for New Applicants that missed the April 15th deadline, of the year in which they are applying.

- Applications must be filed with the county
- Application late fee needs to be paid to the county. (10% of last certified tax roll, Min of $20, max of $160)
- Must meet all deferral requirements as if filed timely.
- Deadline for late filing is December 1st

Can my delinquent property taxes be paid under deferral?

Delinquent property taxes aren’t covered unless you already have a deferral account.

However, you can apply for a delay of foreclosure for delinquent county taxes. This covers taxes on the real property, but not personal property such as floating homes and manufactured structures. This delay prevents the county from foreclosing while you're in the deferral program. However, it does not stop your mortgage company from foreclosing.

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Can I apply for Retroactive deferral?

If you were previously granted deferral and were removed from active status because you missed a filing deadline, you can submit a *Request for Retroactive Deferral* to get back on the program. You must have met all the eligibility criteria for every year from the last time taxes were deferred to the present. You can then have your property taxes paid for the years you were in inactive status.

Can payments be made on a deferral account?

Yes! You may pay all or part of your deferral account and continue to defer current and future property taxes. Others (relatives or friends) may also make payments on your account.

Payments are applied first to:

1. accrued interest
2. past deferral taxes
3. fees

How are you disqualified?

Applicants disqualify from the program if:

- The property is sold **or** changes ownership.
- The applicant moves permanently from the property for non-medical reasons.
- Applicant dies
- The property is moved out-of-state(manufactured structures or floating homes.) When this occurs, the total balance becomes due five days prior to the move.

When does the lien release?

Upon **disqualification**, **cancellation, or inactivation** from the program, the following must be **repaid** before the lien or security interest on the property will be released:

- The property taxes that have been paid by DOR.
- The accrued simple interest of **6%** .
- The cost of recording and releasing the lien.
- A $55.00 filing fee on manufactured structures.

How are Tax payments made to the counties?

- DOR sends a paper or electric file to the counties starting in September of each year, verifying deferral accounts to be paid.
- Payments are then electronically transferred on November 15.
- Payments applied are the tax less 3% discount.

How are the counties notified of deferral accounts?

- The DOR sends monthly status reports to the county showing active, inactive, cancelled and disqualified applicants.
- For all approved (active) applicants, the county place’s a flag in their system.
- Accounts must remain flagged until DOR has been reimbursed for all the deferred taxes and has processed the lien release.

Notice of Status Changes

The county should notify DOR of any changes they may become aware of with the Notice of Status Change form.

This includes:

- Sale of property (including partial)
- Change of ownership
- Move from the property
- Death
- Divorce
- Remarriage

Information regarding the deferral program.

- The senior deferral program was enacted in 1963.
- In 1999 Legislature opened the deferral program to the disabled community.
- In 2022, we have a combined 3,891active accounts (3,422 Senior and 469 Disabled accounts). DOR paid out $11,491,309 in property taxes to the counties.

More recent Law Changes HB2587

HB2587 (2019)
HB 2587 (2019 Laws c.591) passed in the 2019 Legislative Session to allow homes with certain reverse mortgages to qualify for the Senior and Disabled Deferral program.

- Reverse Mortgages acquired between 7/1/2011 and 12/31/2016
- 40% Equity in the home by the date of the deferral application
- Home's Value determined using the Real Market Value from the current property tax statement. (applied indexing)
- Not to be applied towards Retroactive Deferral. Applicable for upcoming tax years for qualifying properties.

2021 included legislative changes with HB 2634 (2021)

- Sunset Date Extended until 2032
- Application Late filing, April 16-Dec. 1
  Application late fee to county required
- RMV Minimum Cap
  2-part homestead RMV test
- Disabled Heir- continue deferral like a surviving spouse.
- County not required to pay deferral interest while in DOR collections up until they take deed by tax foreclosure.

Contact Information

Address: Oregon Department of Revenue
Attn: Deferral Unit
PO Box 14380
Salem, OR 97309

Phone: 503-945-8348
Fax: 503-945-8737
Email: deferral.unit@oregon.gov

Website: www.oregon.gov/dor/deferral

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