

HB 498 -- Property Tax: Deferral of Real Property Taxes

Co-Sponsors: Hilgemann, Campbell, Jones, Corcoran, Lowe, Jolly, Curls, Villa

This bill creates a senior citizens' homestead property tax deferral program.

The program allows qualified senior citizens to defer all or part of real property taxes owed on their qualifying homestead until the property is sold or transferred upon death or until the senior citizen no longer is qualified to defer the taxes. The qualified senior citizen must be at least 62 years of age and have a household income of less than \$32,000 per year.

The Department of Revenue will administer the program. Eligible senior citizens must file a claim with their county assessor to participate in the program. The assessor will forward each claim to the department. The senior citizen needs to file only once for continuing deferral in future tax years. A lien will be placed upon the property in the amount of the deferral each year. The amount of the lien will be the amount of taxes deferred plus interest at 6% per annum.

The department will use funds from the Senior Property Tax Deferral Revolving Account, which is created by the bill, to reimburse political subdivisions for any losses resulting from the deferral program. The fund will initially be funded with appropriations from state general revenue until sufficient funds exist in the account to reimburse all political subdivisions for repayment of deferred property taxes plus interest. When excess funds exist, the fund will also be used to reimburse state general revenue. The bill also grants authority for revenue bonds to be issued in lieu of using general revenue to fund the revolving account. The bonds would be retired in the same manner that state general revenue would be reimbursed.