PROPERTY TAX DEFERRAL

Team Review & Public Advocacy Package

A Housing-Stability Proposal for Older Adults and Eligible Disabled Homeowners

Prepared for team discussion • August 2026

Core question: If Oregon already has a fund designed to keep vulnerable homeowners in their homes, can we find a way to make that help truly affordable?

1. TEAM REVIEW DOCUMENT

Executive Summary

The original proposal began with a broad property-tax freeze concept. The stronger path now is a housing-stability strategy built around an existing state program.

Oregon already operates a Property Tax Deferral Program for qualifying senior and disabled homeowners. The state pays qualifying property taxes to the county; the amount becomes a lien-bearing obligation against the home and accrues 6% simple annual interest. For the 2026–27 property-tax year, the household-income limit is $70,000.

The proposal is therefore not to describe the existing program as a free tax freeze. It is to ask whether Oregon, in partnership with Portland and/or Multnomah County, can create a targeted 0% interest tier or interest buy-down for the homeowners most vulnerable to housing displacement.

The Gap We Are Trying to Address

The existing state program solves one problem—immediate cash flow—but it does not eliminate the cost of borrowing. A homeowner may avoid an immediate property-tax payment while the deferred balance grows at 6% simple annual interest. The proposed initiative would investigate whether that interest burden can be reduced or eliminated for a defined group, while protecting the revolving fund and preserving the program's ability to serve future homeowners.

That is the distinction that should anchor the public conversation: we are not proposing to duplicate Oregon's deferral program; we are proposing to investigate how to make an existing housing-stability tool more affordable for those who need it most.

Why This Matters Now

- Older homeowners can be asset-rich but cash-poor: a home may be owned outright while taxes, utilities, insurance and other costs become increasingly difficult to carry.
- Keeping a homeowner safely housed may be less disruptive and less costly than forcing a move into a more expensive housing or emergency-services system.
- The state already has an administrative mechanism for paying qualifying property taxes.
- The central policy question is whether that mechanism can be made more useful to the people who need it most without undermining long-term solvency.

The Existing Oregon Program

- Generally available to homeowners age 62 or older who meet the program requirements, and to qualifying disabled homeowners.
- 2026 household-income limit: $70,000.
- The State of Oregon pays qualifying property taxes to the county.
- A lien/security interest is placed on the property.
- Deferred amounts accrue 6% simple annual interest.
- The balance is repaid under the program's disqualification/cancellation rules; heirs or transferees may be liable for unpaid debt.

- This is a deferral/loan program, not a tax exemption.

Three-Part Policy Strategy

1. Maximize existing deferrals: make sure every eligible homeowner knows the program exists and can navigate it.
2. Pursue targeted relief: explore a state-supported or legally authorized local benefit for the most vulnerable homeowners.
3. Create a 0% pilot or interest buy-down: ask the Oregon Legislature and Department of Revenue to determine whether a defined group can receive reduced or eliminated interest while maintaining fund solvency.

The State Fund: An Opportunity for a Better Conversation

The working proposal points to substantial resources in the Senior Property Tax Deferral Revolving Account and to 2025 legislation authorizing transfers from that account for senior housing purposes. This creates a legitimate advocacy question: if the state can use the account to advance senior-housing goals, should some available capacity also be evaluated for reducing the 6% interest burden on the homeowners the deferral program was created to serve?

The current fund balance should not be stated publicly until the latest Department of Revenue financial data is attached. The working materials cite approximately $76 million, while 2025 legislative materials describe approximately $70 million of revenue over obligations at that time. Those figures require current verification.

Illustrative 10-Year Cost

Using the working document's illustration of a $6,000 annual property-tax bill deferred for ten years, the homeowner would defer $60,000 in principal. At 6% simple annual interest, the working illustration estimates approximately $19,800 in interest, for an illustrative total of approximately $79,800. This is an illustration, not a prediction of any individual homeowner's payoff.

Proposed Ask

- Launch a trusted outreach effort so every eligible senior and disabled homeowner knows the existing state deferral program exists.
- Ask Oregon lawmakers and the Department of Revenue to examine a 0% interest tier or state-funded interest buy-down for the lowest-income eligible participants.
- Explore a Portland/Multnomah County partnership for outreach, navigation, counseling and advocacy, while qualified counsel determines what local financial-relief mechanisms are legally authorized.
- Require a public fiscal and actuarial analysis showing how many homeowners could be served, the cost of an interest subsidy, and the minimum reserve required to keep the fund solvent.
- Build a coalition including seniors, disabled homeowners, housing organizations, neighborhood associations, service providers and established senior-advocacy organizations.

Questions for Review

- What exactly are we asking for: 0% interest, an interest buy-down, partial forgiveness, or a local supplemental benefit?
- Should the proposal cover all eligible participants or prioritize a lower-income threshold?
- Should it begin as a Portland/Multnomah County pilot or be pursued statewide?
- What legal authority would be required from the Legislature, Department of Revenue, Portland and/or Multnomah County?
- What is the current balance of the deferral fund, and what amount is actuarially available without jeopardizing future obligations?
- How will success be measured—homes retained, foreclosure avoidance, equity preserved, or participation increased?
- Who should be the fiscal sponsor or administrative partner for outreach?
- What local homeowner stories can humanize the issue while protecting privacy?

Fact-Check Guardrails Before Public Release

- Do not claim that a city or county can simply create a local property-tax exemption without legal review.
- Do not claim that the existing fund can simply redirect surplus to 0% loans; present this as a proposal requiring legislative/Department of Revenue authorization and fiscal analysis.
- Update the fund-balance figure using current official financial data before publication.
- Do not say the City/County can provide the 0% benefit 'at no cost' until the actual financing mechanism is established and independently scored.

2. SAMPLE LETTER TO THE MULTNOMAH COUNTY COMMISSIONERS

August 2026

Dear Chair Jessica Vega Pederson and Commissioners Meghan Moyer, Shannon Singleton, Julia Brim-Edwards, and Vince Jones-Dixon:

We are asking you to help begin a conversation about a simple housing-stability question: How do we keep older and disabled homeowners in the homes they have worked a lifetime to maintain when property taxes become unaffordable?

Oregon already has a Property Tax Deferral Program for qualifying senior and disabled homeowners. The program is valuable because it allows the State to pay qualifying property taxes while the homeowner remains in the home. But it is not free relief. Deferred balances accrue 6% simple annual interest and are secured by a lien.

We believe Oregon should examine a targeted 0% interest pilot—or an interest buy-down—for homeowners most at risk of losing housing stability. The goal is not to weaken the state's financial discipline. The goal is to use an existing housing-stability tool more effectively while protecting the equity of vulnerable homeowners.

We are not asking the County to promise that a particular mechanism is legal or financially feasible before it has been studied. We are asking you to help open the door to that study.

Specifically, we ask that the County:

- Request or support a current fiscal and actuarial analysis of the Senior Property Tax Deferral Revolving Account.
- Ask Oregon Department of Revenue and legislative staff to evaluate a targeted 0% interest or interest-buy-down pilot.
- Explore how Multnomah County can support outreach and enrollment among eligible homeowners.
- Invite senior, disability, housing and community organizations to participate in developing the proposal.
- Report publicly on the findings and on what legislative or administrative action would be required.

Keeping people housed is more than a tax question. It is a housing-stability, neighborhood-stability and human-dignity question.

We would welcome the opportunity to meet with your office and present the proposal.

With respect and gratitude,
[Name]
[Organization]
[Contact Information]

3. LETTER TO THE EDITOR — WILLAMETTE WEEK

Suggested subject: Oregon Should Stop Charging 6% to Help Vulnerable Homeowners Stay Home

Oregon has a property-tax deferral program that can help older and disabled homeowners remain in their homes. That matters. But there is a problem hiding in the fine print: deferred taxes accrue 6% simple annual interest and are secured by a lien on the home.

For a homeowner living on a fixed income, relief that steadily increases the debt against the home can feel less like a bridge and more like a slow erosion of family equity.

So here is a question worth asking: If Oregon already has a revolving fund to defer property taxes, why not explore a 0% interest tier for the homeowners who need it most?

This is not a call for a blank check. It is a call for transparency, numbers and imagination. The state can determine how much must remain in reserve, how many homeowners could be served, and what a targeted interest buy-down would cost.

A house is more than an asset on a tax roll. For many older Oregonians, it is the place where a lifetime of work became security. We should be looking for ways to preserve that security—not quietly charge it away.

[Name]
[City]
[Contact Information]

4. LETTER TO THE EDITOR — THE OREGONIAN / OREGONLIVE

Suggested subject: A Better Property-Tax Deferral for Oregon's Aging Homeowners

Oregon's housing affordability problem does not stop at renters. Some of the people most vulnerable to displacement are homeowners who have lived in their homes for decades but now live on fixed or limited incomes.

Oregon's Senior and Disabled Property Tax Deferral Program offers an important safety valve. The state pays qualifying property taxes, allowing eligible homeowners to defer payment. But the deferred balance accrues 6% simple annual interest and is secured by a lien.

We should ask whether the program can be improved. A targeted 0% interest tier or interest buy-down for the lowest-income eligible homeowners could preserve more household equity while advancing the state's goal of housing stability.

The question deserves an impartial fiscal and actuarial analysis. How much money is available? What reserve is required? How many homeowners could be helped? What would a pilot cost? What legislation or administrative authority would be needed?

Those are solvable questions. Answering them could give Oregon something better than another emergency response: a practical way to help people remain safely housed before a housing crisis becomes a housing loss.

[Name]
[City]
[Contact Information]

5. OPEN LETTER TO THE CITIZENS OF MULTNOMAH COUNTY

Keeping People in Their Homes Is a Community Responsibility

Dear Neighbors,

There is a quiet housing crisis unfolding around us. Some of the people at risk are not newly arrived renters or people searching for their first home. They are homeowners who have lived in the same neighborhoods for decades.

They raised families here. They paid taxes here. They volunteered here. They built businesses, schools, neighborhoods and community institutions. And now some are discovering that owning a home does not necessarily mean being able to afford to remain in it.

Oregon has a property-tax deferral program for qualifying senior and disabled homeowners. It can provide breathing room because the state pays qualifying property taxes while the homeowner remains in the home. But the deferred balance accrues 6% annual simple interest.

We believe Multnomah County should help lead a larger conversation: Can Oregon create a 0% interest pathway for the people who are most vulnerable to losing their homes?

We are not asking citizens to choose sides in a political argument. We are asking them to ask a question.

What would it cost us to keep our neighbors housed—and what would it cost us if we do not?

A serious proposal should include numbers, safeguards and accountability. It should protect the solvency of the state program. It should target assistance where it is needed most. And it should measure whether the program actually keeps people housed.

This is about more than property taxes. It is about whether the community recognizes the value of the people who helped build it.

If we can find a way to preserve a lifetime of home equity while keeping a vulnerable homeowner safely housed, we should at least have the courage to investigate it.

That conversation can begin now.

With hope,
[Name]
[Organization / Community Initiative]
[Contact Information]

6. SOURCE & VERIFICATION NOTES

The uploaded Oregon Department of Revenue 2026 booklet confirms that the state program is a borrowing/deferral mechanism: the State pays qualifying property taxes, places a lien/security interest on the property, and charges 6% annual interest. It also confirms the 2026 household-income limit of $70,000. The booklet states that the program is for qualifying homeowners age 62+ and qualifying disabled homeowners. ✂filecite turn0file0 L31-L64☎

The uploaded booklet also confirms that the program is not a one-time application followed by permanent exemption: approved participants must recertify every two years, and disqualifying events can make the accumulated balance due. ✂filecite turn0file0 L218-L238☎

The prior working package distinguishes the existing state program from the proposed policy change and recommends treating the 0% mechanism as an issue for legal, fiscal and actuarial analysis rather than as an already-authorized local exemption. ✂filecite turn2file0 L63-L97☎

The current Multnomah County Board, verified from the County's official website in August 2026, is Chair Jessica Vega Pederson and Commissioners Meghan Moyer, Shannon Singleton, Julia Brim-Edwards and Vince Jones-Dixon. ✂cite turn0search0 turn0search1☎

Before public release, the team should attach the latest official financial data for the Senior Property Tax Deferral Revolving Account and obtain qualified Oregon legal/fiscal review of the proposed mechanism.