



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: April 15, 2024

SUBJECT: Property Tax Work-off Programs

RECOMMENDED MOTION:

No motion recommended. This agenda item is for informational and discussion purposes.

BACKGROUND AND POLICY IMPLICATIONS:

Oregon Revised Statute (ORS) 310.800 Property Tax Work-off Programs (see Attachment A), provides:

- A tax-exempt entity (501(c) organization) may establish a property tax work-off program to which a senior citizen (60 years of age or older) may contract to perform charitable or public service in consideration of payment for their owner-occupied principal residence property taxes.
- The County may accept and enter into an agreement with a tax-exempt entity that has established a property tax work-off program.
- The County may provide funds or make grants available to any tax-exempt entity that has established a property tax work-off program for use to carry out the program.
- A senior citizen who enters into a contract shall be considered an independent contractor and not a worker or employee with respect to the services performed pursuant to the contract. Nothing precludes the County from being considered an employer, for purposes of unemployment compensation under ORS chapter 657, of a senior citizen who enters into a contract.

Finance is not aware of any Oregon county that has established a property tax work-off program. Additionally, the Oregon Department of Revenue (DOR) has not yet established rules for a county seeking to establish a program. Creating the program at the local level does not require DOR involvement, however, because some issues in the law lack clarity or definition, the DOR in conjunction with the counties, may desire a rule for clarification and to establish guidelines.

Payment of the property taxes is a taxable event to the senior. The Internal Revenue Service (IRS) rules determine which events have federal tax consequences for individuals. Generally, taxable events must be reported by both the payer and the payee, whether any taxes are eventually due.

BUDGET IMPACTS:

Funding for a Property Tax Work-off Program is not provided by the State of Oregon. A funding source would need to be identified for such a program.

ATTENDANCE:

Robert Tintle, Chief Financial Officer/Tax Collector

Jason Brockie, Property Tax Section Manager, Oregon Department of Revenue

ATTACHMENTS:

Attachment A - ORS 310.800

Attachment B - Oregon Department of Revenue presentation slide deck