

HB 1534 -- Deferral of Property Taxes

Sponsor: Donnelly

This bill allows residential real property owners who are 62 years of age or older to defer any increases in real property taxation on their principal residence until the next subsequent sale or transfer. Income guidelines are also established for qualification.

Qualified owners who elect the option must file a deferment request with the county clerk and must grant a lien on the residential property in favor of the state.

The county clerk of each county will estimate each year the lost revenue of the county and its political subdivisions resulting from real property tax deferments. The clerk will then forward the estimate along with the deferment request to the Department of Revenue. The Department of Revenue will notify the State Treasurer and the General Assembly of the total amount of state loss from the real property tax deferments.

Upon sufficient appropriation into the Senior Property Tax Deferral Revolving Account, created in the bill, the Department of Revenue will reimburse each county the pro-rata share of the loss from real property tax deferrals.

The Department of Revenue will recover the amount of the deferment for the owner through reimbursement by the owner or by execution of the lien at the next sale or transfer of the property.

The provisions of the bill will expire six years from the effective date.