MEMBERS PRESENT:
Chairman Price
Vice-Chairman Craddock
Assemblyman Chaney
Assemblyman Coulter
Assemblyman Dini
Assemblyman Mann (excused - late)
Assemblyman Bergevin
Assemblyman Marvel
Assemblyman Rusk
Assemblyman Tanner
Assemblyman Weise

MEMBERS ABSENT:
None

GUESTS PRESENT: (A complete list of those present is attached to these minutes. The folowing is a list of those that spoke.)
Frank Daykin, Legislative Counsel
Orvis Reil, NRTA/AARP Nevada Joint State Legislative Committee
Jess Sandorf, Senior Citizens Taxation Relief
Alice L. Smith, State of Nevada Aging Services
Robert E. Robinson, Assemblyman
Gary Milliken, Clark County Assessor's Office
Homer Rodriquez, Carson City Assessor
Mike Malone, Assemblyman
John McSweeney, Department of Human Resources, Division of Aging Service
Dan, Miles, Deputy Fiscal Analyst, Legislative Counsel Bureau

A quorum being present, Assemblyman Price called the meeting to order at 3:00 p.m. on January 30, 1979. He stated the purpose of the hearing was to take testimony on AB 5, AB 111, and AB 129. Because of other commitments which the sponsors of the various bills had, Chairman Price stated that he would call upon them first and then open the meeting to the general public for testimony.

AB 5

Assemblyman Mike Malone, sponsor of the bill, stated that AB 5 would increase certain allowances to the elderly. He pointed out the during campaigning most of the legislators realized that senior citizens are being taxed out of their homes and establishments that they reside in. This bill would pertain to mobile homes as well as rentals. He pointed out the basic changes as being the change in the income range up to $15,000 and the amount of the rebate up to $400.

Mr. Dini inquired whether any consideration had been given to instead of raising the limit give the people under $6,000 a 100% rebate. Mr. Malone stated that he had just decided to raise all of them. Mr. Dini pointed out that people on the lower end of the scale are the ones that really need it.

Mr. Tanner pointed out that in some areas a person could be living in a house with high assessed value and yet have a very low income. They could easily end up with a $1200 tax fee and yet only get the maximum of $400 back. Mr. Malone stated that between his bill and Mr. Coulter's, he felt they could come up with a pretty good bill.

AB 111

Assemblyman Steve Coulter, sponsor of AB 111, spoke on his bill, stating that Mr. Malone's and his bills differed in the approach but dealt with the same area. He stated that he felt the percentage was the important thing to deal with. The lower the income the greater the percentage of rebate. He added that the main part of his bill was found on the second page and was in the form of a tax freeze. What it essentially says is that if you qualify for the tax rebate program, your taxes would be frozen at that level and stay at that level. This allows the senior citizen to plan for their future. They know that their taxes will be at that level from then on and they won't have to deal with sky-rocketing values.

Mr. Coulter stated that if they are going to come up with an alternative to Question 6, it must be popular enough so that the people would opt for a legislative program as opposed to Question 6. He feels that the tax freeze has that possibility.

Mr. Weise inquired whether Mr. Coulter could see the need for the changing of the income structure as provided in Mr. Malone's bill. Mr. Coulter stated that he felt the important thing was to change the percentage as this is the difference in the money going to the individual. Simply changing the ceiling does not change the amount of money the individual will receive back.

Mr. Weise inquired whether Mr. Coulter could see the possibility of someone retiring on a rather substantial piece of property with no income and becoming eligible for the rebate. Mr. Coulter felt that this could be a problem as this as it stands does not require an annual re-examination. He added that he felt the committee might also consider changing the bill to apply when the individual enters the program and not when he was actually eligible. This would pertain to those who elect not to enter when they are first eligible.

Mr. Bergevin stated that although their assessed valuation would not change, their tax rate could change.

Mr. Dini stated that the fiscal note stated that this bill does not required a "freeze" as indicated. He inquired whether there was some problem in the drafting of the bill. Mr. Dan Miles, Deputy Fiscal Analyst, stated that there was a question as to whether the freeze would be retroactive or whether it would only occur at some point in the future. Mr. Coulter stated that the bill would begin July 1, 1979. Mr. Miles went on to state that the rest of the sentence states "whichever is earlier" and this is what caused the problem. A copy of the fiscal notes for all three of these bills is attached as EXHIBITS A, B, AND C.

Mr. Weise inquired whether it was Mr. Coulter's intent to freeze the actual number of dollars that the individual pays from then on. Mr. Coulter stated that it was; so that they would never have to worry about paying more and they can budget themselves.

Mr. Coulter stated it would be his intent that the bill have mechanism in it that should the tax rate go down that it would drop but it would never go up. He also added that he would not be adverse to annual review of those eligible.

Mr. Price inquired whether it was his intention to have the local government reimbursed for this. Mr. Coulter stated that the legislature would increase the amount appropriated for the program each year.

AB 129

Assemblyman Robinson, sponsor of the bill, spoke in favor of its passage. He began by stating that this bill, which allows for property tax deferral, is being introduced for the third time on this subject matter. Each time the bill evolves a little bit because of the experience of other states in this field. Dr. Robinson presented copy of a publication by the Oregon Tax Research entitled, "Deferred Homestead Property Taxes". A copy of this is attached to these minutes as EXHIBIT D.

Dr. Robinson stated that if this concept were to be adopted by this committee then the work would be to mesh it with the tax rebate program.

Dr. Robinson stated that in the bill itself he would recommend that the part in section 2 which referred to household income should be eliminated. He stated that when speaking of deferral the household income would not be germaine. He would also recommend that the $700 amount found on line 14 of page 1 should also be eliminated. He added that if a person is going to have the property taxes deferred he is not getting out of paying the taxes. The taxes accrue and there is a lien against the property with 6% simple interest.

Dr. Robinson went on to state that this goes on beyond what the tax rebate does right now. A person by virtue of income may claim the tax rebate and still claim the deferral for the taxes above and beyond the rebate. For the person whose income is above eligibility for the rebate the entire amount would be deferred. He added that this program in other states has not been overly utilized. In Oregon only $776,000 in deferred taxes were applied for in 1976-77. This is not an expense to the state or money lost to the county or local entities, because the bill provides that the local entities receive the taxes from the fund. When the taxes are finally paid the money goes back into the fund. He added that the systems of rebate and deferral do work together.

Dr. Robinson continued by stating that many people object to the deferral system because they do not want to leave a lien on the property. The way that Dr. Robinson looks at it is that the rebate system actually benefits the heirs of the estate as it leaves an unencumbered estate. The deferral system allows the person to have the use of the money and it is at their option.

Dr. Robinson finished by stating that he feels that the senior citizens whose income is above the level of the rebate are being discriminated against by not being allowed to have some form of tax relief. Even a person who has a fairly good income is hurt by the taxes and should be allowed to use that money for other purposes.

To Mr. Tanner's statement that there could be a rather substantial tax lien on the property when it finally is paid, Dr. Robinson stated that if that is the concern then they are giving tax relief to the heirs and not to the senior citizen as is his desire.

Mr. Bergevin pointed out that he feels that the language of the bill does not state that they can use both programs of rebate and deferral. Dr. Robinson stated that he would like to see it change so that both can be utilized by the individual.

Mr. Weise inquired how this would effect survivors such as a husband or wife. Would the survivor be hit with a large tax bill. Dr. Robinson stated that this is covered and that he was concerned about an 85 year old man marry a 19 year old girl and what might happen. You might have a survivor that would live in the house for another 80 years. He further stated that any senior citizen concerned about their heirs, they don't have to sign up for the program; however, there are many people that do not have heirs and they are being forced out of their homes because of high taxes.

Mr. Dini pointed out that the fiscal note stated that rebates to renters would be eliminated. He wondered if there was a reason for that. Dr. Robinson stated that it would not be possible to put a lien on the landlord's property and the mechanics were impossible.

Mr. Dini went on to point out that the fiscal note showed amount which was much less then presently being spent. He stated that apparently the tax deferral option would be minimal because very few person pay taxes that exceed 7% of their income. Dr. Robinson stated that if they go to a pure deferral system he could see why it would be less but if they have the two way system there would still have the large rebate. Mr. Bergevin stated that if the $700 were eliminated as suggested by Dr. Robinson, that would raise the fiscal note amount also. Dr. Robinson stated that he could see no reason to having the limit placed in the bill.

At this point Chairman Price called upon Frank Daykin , Legislative Counsel Bureau, to explain the proposed amendment to AB 5. A copy of this amendment is attached to these minutes as EXHIBIT E.

Mr. Price explained that during the orientation hearings the point was raised that the Senior Citizen's Assistance Program has not been administered correctly in all cases. Some people have been receiving benefits who have not been technically eligible according to the letter of the law. Mr. Price cited the example of the senior who owns his own home and rents a portion of it to another senior. In the past the law has been administrated so that both of these could recieve a portion of the total rebate allowed on the home. According to the letter of the law only the owner should have been allowed. There had been some suggestions made for proposed legislation made by the Taxation Department; however, Mr. Nickson stated that he would not seek any legislation for his department. They were further made aware of the problem when the applications for this year were sent out. If something isn't done there are a number of people who will not be receiving their benefits this year.

Mr. Daykin stated that this amendment would add two sections to AB 5. These sections would change the definition of "property tax accrued" and would add a section which would permit the department to do what it has been doing unlawfully. It would then be legitimate for the department to provide by regulation for these people who have conveyed ownership but still maintain and pay the taxes on the home. This is a tightly drawn amendment but yet leaves the detail to the department of taxation to work by regulation instead the the committee trying to solve all of it here. Mr. Daykin went on to state that this amendment does not reach one problem to which has been referred but the problem can be reached by another compatible amendment. That amendment would be to make the bill effective upon passage and approval for the purposes of extending the time within which a claim can be made, this year only. He added that this final amendment would be adaptable to any other proposal before the committee that would change the program.

Mr. Bergevin inquired of Mr. Daykin if he felt that the freeze in AB 111 on the assessed valuation was constitutional. Mr. Daykin stated that he felt they could defend the constitutionality of this because it is tied to the income level under the Senior Citizen's Program and therefore the legislature could grant an exemption and therefore it could go part way by granting a freeze.

Mr. Tanner inquired if there would be any effect if the income was changed. Mr. Daykin replied that it would be alright as long as they stayed with the general concept of low income.

Gary Millihin, Clark County Assessor's Office, gave the committee a sampling of those that would be effected by this change in the way they have been handling the Senior Citizen's program. He stated that they were in favor of the bill as they presently have 65 homeowners who have quick claim deed and signed over their home to a son or daughter. They also have 15 mobile home owners that fall in this category. They have been accepting their claims as they live in the home and pay the taxes on it. They also have 7 mobile home owners that are in the name of the husband and wife and one is deceased. They are presently allowing the survivor to file for the full rebate under the program. They also have mobile homes (5) where the property is under brother or sister's name and they have honored them. There are 39 examples where the home is in the name of the senior citizen who files the claim, along with the names of children, aunts, uncles, etc. They also have 23 homes where the name of the owner is different from the senior citizen filing for the rebate and upon checking they have it to be some relative. He stated that if they were required to go strictly by ownership, all of these people would not be eleigible for the program. He added that they have had about 6,300 people in Clark County in the program.

Mr. Coulter asked what Mr. Milliken thought of the "freeze" program. Mr Milliken replied that he had fewer problems with it then with the deferral program. He added that to combine the two would make for a lot of work. He pointed out that several agencies would then be involved and it would make it more difficult for the senior citizens. He also stated that with the deferral program if you open it up to anyone by taking away the income limitations you are not solving the problems originally aimed at.

Homer Rodriquez, Carson City Assessor, stated that he would have to agree with Mr. Milliken on his comments regarding the proposed amendment. He stated that he had no problems in Carson City but that he understood there were some in Clark County. He added that he would like a chance to study the amendment as he had just then seen a copy of it. Perhaps he would have further comments later. He added that he had testified on SB 48 which has similar concept to AB 5 and AB 111. He liked the idea of the income being brought up to $15,000 with a tax limit up to $500. He stated that he would not know what would come out of a "freeze" as suggested in Coulter's bill and questioned its legality. He stated that he brought this up at the last session when he proposed to freeze the values of the property of the senior citizens and was told that it could not be done.

Orvis Reil, Chairman of the NRTA/AARP Legislative Committee, stated that he had a few comments on the various bills. Beginning with AB 5, Mr. Reil stated gives additional benefits to the lower income groups and also includes additional senior citizens who need help. However, this still does not take care of the escalation of taxes which wipe out the benefits presently allowed and any increased benefits.

AB 111, according to Mr. Reil, also gives additional benefits for the lower income groups and also handles the escalation of taxes. However, this bill would help more people if the household income ceiling were raised to $15,000 on page 1, line 5. He also suggested the benefits be changed.

AB 129 would take away the benefits now enjoyed by the renters, stated Mr. Reil. He stated that the experience of states that have this law is that the use of it is very limited. He stated that the people that use it, do so only in desperation as a final step. With the pride of the elderly and the importance of family ties which includes their desire to leave the children with no indebtedness, Mr. Reil stated that it was their opinion that the bill would benefit only a relative few of the people.

Jess Sandorf, Chairman of AARP legislative committee in Reno, stated that they had been told by the Attorney General that he felt there would be problems with freezing property taxes for a limited group of people. He added that the A.G. felt that it could not be done but that the deferral would be alright. He stated that he was a renter and that the deferral program would not help him any. He added that inflation was indeed hurting the renter and would urge the committee to consider some help for these people.

Mr. Price stated that the legislature has its own counsel and there was some question of priority in asking for opinion from the Attorney General. He added that the legal counsel for the legislature would look into this.

At this point Mr. Mann, who had been excused, arrived.

Alice Smith stated that she felt it was important to keep in mind the people in the lowest income bracket. She pointed out that widows and those who are handicapped are really having a hard time making ends meet. She stated that she also felt that it should be made as easy as possible because many of the people do not understand the statements and bills that they face.

John McSweeney, Department of Human Resources, Division of Aging Servic stated that the intent of the program is to help the elderly maintain their dignity and independence within their own home. This is a savings to everybody, if they can be maintained in their own home. The greatest rebate should be to those with the lowest income. In representing the Division of Aging Services, Mr. McSweeney stated that he endorses the intent and purpose of AB 129 in its complete concept. It is clear that taxpayer in general is not going to be stuck with the taxes that have been deferred. They will be reimbursed. The choice is left to the elderly citizen and this is what is important. They presently do not have this option as they only have the rebate, if they qualify.

Mr. Coulter inquired how Mr. McSweeney felt about the tax freeze proposal. Mr. McSweeney stated that he would be for it. For some people this would be a very meaningful type of relief. It could make the difference for some people on whether they had to sell or not.

Mr. Weise stated that he felt that in evaluating the bills they probably should have something prepared that would show the type relief given and who it is going to.

Mr. Tanner agreed and stated that he felt that there needed to be a higher upper limit and also a higher percentage at the lower level.

Mr. Miles was requested to start compiling some of this type of information for the committee's use.

Mr. Mann asked if it would be possible to allow Mr. Milliken to testify on AB 3 which is scheduled to be heard February 5. Mr. Mann added that Mr. Milliken may not be able to be in Carson on that day and he would like his statement for the record.

Mr. Milliken stated that they were in support of AB 3 which would make more veterans eligible for the benefits. He stated that he represented the Clark County Assessor's Office in this support.

* * * * * *

Mr. Price inquired if the committee would like to cancel the meeting scheduled for the 6th of February so that those members who would like to could go on the TRPA tour planned for that time. The committee agreed to this recommendation.

Mr. Price then asked for some consideration of the amendment and how it should be handled. He pointed out that there was no bill that it could be tacked onto in accordance with the committee rules. A discussion was held on how this could be handled. Mr. Weise suggested that perhaps AB 5 could be gutted in its entirety and the amendment be submitted.

Mr. Dini moved that the committee introduce the proposed amendment as a bill of its own. Mr. Marvel seconded the motion. A discussion was held where it was pointed out that it was important to get this going as there were presently some people being kept from getting their rebates because of this problem. It was decided to add the suggestion that it become effective upon passage and approval. The motion passed unanimously.

The committee discussed briefly the various information requests that they had made regarding the tax proposals to be considered. It was determined that if all the information was made available then it would be possible for the committee to sit down and come up with a package that would be the best possible available.

As there was no further business to discuss, Chairman Price adjourned the meeting at 5:00 p.m.

Respectfully submitted,

Sandra Gagnier

Sandra Gagnier
Assembly Attache

ASSEMBLY TAXATION COMMITTEE

PLEASE PRINT

GUEST LIST

Date:

NAME	REPRESENTING/ADDRESS	WISH TO SPEAK YES	NO
ORVIS E. Reil	Chairman NRTA/AARP Nevada Joint State Legislative Committee - 424 E Long St C.C	X	
Nellie S Laird	Nev Joint State Legislative Committee 307 Meyer C.C		X
George Westergaard	Nev. State Joint Legislative Committee		X
John H Fant	" " " " "		X
[illegible] White	Myself		X
Flo Reed	" "		X
Myrtle Hansen	" "		X
Jess S. Landorf	Senior Citizens Taxation Relief	X	
Catherine Loughlin	Washoe Co Aging Service Council		X
Alice L. Smith	State of Nevada Aging Services	X	
Susan Manuel	Nevada Appeal		X
E. Thelsabeck	Observer		X
Nelson B. Neff	Senior Citizens Tax Asst.		X
CHARLES COLLIER	My Self		X
ROSE COLLIER	"		X
Susan Ball			X
Lisa Castell			X
Vicki [illegible]			X
R.E. Robinson	Assemblyman	X	
Mary Millsap	Clark County Assessor Office	X	
Homer Rodriguez	Carson City Assessor	X	
G.P. Etcheverry	NEV LEAGUE OF CITIES		X
Phil Stout	City Council Henderson		X
Mike Malone	Assemblyman	X	

ASSEMBLY TAXATION COMMITTEE

GUEST LIST

Date: 1/30/79

NAME	REPRESENTING/ADDRESS	WISH TO SPEAK YES	NO
Edward Smith			X
Maurine Smith			✓
Virgil Slade			✓
Nell Slade			✓
Evelyn Garnett			✓
Mark Garnett			✓
R. [illegible]			
J. S. [illegible]			
J. McSweeney	Dept Human Resources. Division of Aging	✓	

FISCAL NOTE

BDR 32-666
A.B. 5
S.B.

EXHIBIT A

• STATE AGENCY ESTIMATES

Date Prepared January 23, 1979

Agency Submitting Taxation

Revenue and/or Expense Items	Fiscal Year 1978-79	Fiscal Year 1979-80	Fiscal Year 1980-81	Continuing
Total Refund (includes renters)		$2,412,377	$2,774,234	
County Administration Fees		62,032	68,193	
Total		$2,474,409	$2,842,427	

Explanation (Use Continuation Sheets If Required)

Refunds are estimated to increase at 15% per year. The number of claimants are estimated to increase at 10% per year. The number of claimants in the $11,000 to $15,000 income categories are based on estimates provided by UNR.

Local Government Impact YES ☐ NO ☒
(Attach Explanation)

Signature Roy E. Nickson
Title Director

• DEPARTMENT OF ADMINISTRATION COMMENTS

Date January 29, 1979

The above estimates include the recommended amounts each year in Budget Account 101-2363.

	Fiscal Year 1980	Fiscal Year 1981
New Estimates	$2,474,409	$2,842,427
Executive Budget Recommends	1,650,000	1,815,000
Increased General Fund Expense from Bill	$ 824,409	$1,027,427

Signature
Title Howard E. Barrett
Director of Administration

• LOCAL GOVERNMENT FISCAL IMPACT
(Legislative Counsel Bureau Use Only)

Date

Signature

Title

FN-3 (Revised 7-5-78)

PRINTER

EXHIBIT B

FISCAL NOTE

A.B. 111
S.B.

• STATE AGENCY ESTIMATES — Date Prepared January 9, 1979

Agency Submitting Taxation

Revenue and/or Expense Items	Fiscal Year 1978-79	Fiscal Year 1979-80	Fiscal Year 1980-81	Continuing
Mobile Homes and Tenants (Unsecured roll)		$ 822,837	$ 946,263	
Home Owners and Mobile Homes (Secured roll)		781,311	820,377	
Administration		62,000	68,200	
Total		$1,666,148	$1,834,840	

Explanation (Use Continuation Sheets If Required)

The estimated figures above relating to Mobile homes, on the unsecured roll, and tenants reflect an approximate 15% increase in tax bill amounts. The figures do not reflect the proposed "freeze" on the assessed value.

The estimated figures above relating to Homeowners and Mobile homes, on the secured roll, have been computed using a "freeze" at the 1977-78 level as the figures for the first year of filing are not available without reviewing each individual file. In addition, these figures reflect an approximate 5% increase in new applicants per year.

The Administration cost is based on an estimated 10% increase per year.

Local Government Impact YES [X] NO [ ]
(Attach Explanation)

Signature [illegible]

Title [illegible]

• DEPARTMENT OF ADMINISTRATION COMMENTS — Date January 16, 1979

The above estimates include the recommended amounts each year in Budget Account 101-2363.

	Fiscal Year 1980	Fiscal Year 1981
New Estimates	$1,666,148	$1,834,840
Executive Budget Recommends	1,650,000	1,815,000
Increased General Fund Expense From Bill	$ 16,148	$ 19,840

Signature [illegible]

Title

• LOCAL GOVERNMENT FISCAL IMPACT — Date January 18, 1979
(Legislative Counsel Bureau Use Only)

LOCAL GOVERNMENT IMPACT

This bill will increase the percent of a senior citizen's allowance in each specified income category and increase the maximum allowance from $300 to $600. Additional assistance is provided by exempting increases in assessed value for eligible claimants. NRS 361.874 calls for these sums to be reimbursed to counties from General Fund appropriations. The bill does not require a "freeze" as indicated above.

County assessors will experience some increase in work load beginning FY 1980-81 due to administration of the exemption provision. Assuming $1 per application increase, the cost would be about $12,000 per year.

Signature [illegible]

Title Deputy Fiscal Analyst

FN-3 (Revised 7-5-78) PRINTER

BDR 32-851
A.B.129
S.B.

FISCAL NOTE

EXHIBIT C

• STATE AGENCY ESTIMATES   Date Prepared January 18, 1979

Agency Submitting Taxation

Revenue and/or Expense Items	Fiscal Year 1978-79	Fiscal Year 1979-80	Fiscal Year 1980-81	Continuing
Refunds		$1,003,799	$1,154,369	
County Admin.		17,274	19,000	
Deferral Program		5,000	6,000	
Total		$1,026,073	$1,179,369	

Explanation (Use Continuation Sheets If Required)

Refunds are estimated to increase 15% per year and number of claimants 10% per year.

Rebate to renters is eliminated. Tax deferral option would be minimal because very few persons pay taxes that exceed 7% of their income.

Local Government Impact YES [X] NO [ ]
(Attach Explanation)
Only if county implements additional program.

Signature Roy E. Nickson
Title

• DEPARTMENT OF ADMINISTRATION COMMENTS   Date January 23, 1979

While the above amounts would be a reasonable estimate of State costs under the program suggested in the bill, the net effect would be a reduction in State expenditures projected under existing legislation to be $1,650,000 in 1979-80 and $1,815,000 in 1980-81.

Signature H. Barrett
Howard E. Barrett
Title Director of Administration

• LOCAL GOVERNMENT FISCAL IMPACT   Date
(Legislative Counsel Bureau Use Only)

Signature
Title

FN-3 (Revised 7-5-78)   PRINTER

EXHIBIT D

Your TAXES®

OREGON TAX RESEARCH

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The State-Wide, Non-Partisan Taxpayer Association in Oregon

Volume 42 **SEPTEMBER-OCTOBER 1977** **Number 9-10**

DEFERRED HOMESTEAD PROPERTY TAXES

A Good Bargain, If Not Oregon's Best Buy

Did you know that Oregon provides a "tax shelter" for every homeowner - rich, poor or middle-income? Well, not quite, but there is one waiting for you when you reach age 62. Once qualified and as long as you remain eligible (alive), you won't have to worry about the necessity of selling your home just to satisfy the tax collector. Available since 1964 the homestead property tax deferral program has attracted surprisingly few participants; less than 1% of the eligible universe.

The deferral program should not require "selling" or "merchandising", just understanding. The most common complaint arises from parents who "want to leave something for the kids". Due to changes in the law enacted in the 1977 Session, it is anticipated that participation is likely to grow. One change is significant because it removed the potential of any hazard to the integrity of the Public Employes Retirement Fund and shifted it to the General Fund of the State of Oregon.

A limited summary of the number participating will appear in the conclusion of this article, showing the number applying and the amount of deferred taxes. Looking to the future, administration has been transferred from the State Treasurer to the Department of Revenue. Counties will be reimbursed for deferred taxes from the surplus in the General Fund minus the 3% discount, made as "investments" with interest accruing at 6% per annum. Previously, all funding was mandated from the Retirement Fund.

A recent study by the Department (elaborated upon herein by OTR) sheds a different light on this program permitting the deferral of property taxes on a homestead for the life of the occupant-owner or buyer and surviving spouse. It shows that some of our older homeowners may actually "have their cake and eat it, too". Of course, there has to be a villain and, like Pogo: "He is us!"

WHAT HAPPENED?

By overuse of the printing press, continuing deficits, spending more than we collect in taxes and going deeper in debt, our constant companion will be inflation. It hides everywhere - in your home, car and even your tax bill; not just in the shopping center. And it affects most aspects of our lives, almost without making its presence known.

The old homestead you want to leave for the kids is victimized at the same time. If you didn't receive a notice of increase in the true cash value of your home this year, someone may have 'goofed'. Either you failed to maintain it properly or the computer missed it when the annual game of "trending" is applied to most properties. Some local governing bodies may be tempted to brag about their conservative operations, saying your tax rate will be lower this year. If so, ask why your taxes have increased in spite of their niggardly budgeting.

The truth will out when they are compelled to disclose that the assessed value of your home and lot increased at a rate in excess of the rate of spending. And that, my friends, is inflation at work.

While your dollar may only buy about half what it did ten years ago, the taxable value of your home has gone in the opposite direction; possibly more than double its 1967 assessed value.

INFLATION AND YOUR "TAX SHELTER"

Why all this talk about inflation when we set out to tell you about a possible "tax shelter" of your own? Simply stated, inflation is a criminal and your home may partially protect you from becoming its victim. Inflation is an insidious robber and a greater public danger than a World-wide list of the "Ten Most Wanted" fugitives. By comparison, the highly-touted Brink's Robbery is in a category similar to a pickpocket in a bus waiting station.

With minor exceptions, it is virtually impossible to beat inflation, but you may be able to capitalize on it to a limited extent. Your old homestead may provide that once-in-a-life-time opportunity if you choose. All that is required is that you meet the criteria for eligibility and apply for the deferral of property taxes on your homestead. An abbreviated outline appears on the next page.

One example will not fit all situations, but may be used as a guideline. By following the outline of the full-page exhibit, you have the tools for a do-

(Continued on page 3)

EXHIBIT D

"WHEN, WHERE AND HOW" FOR HOMESTEAD TAX DEFERRAL

To qualify for a deferral of property taxes, an individual (husband or wife) must be 62 years of age or older on March 1 of the year of filing. Two or more persons may jointly elect to defer taxes, limited to same age, but the homesteads must meet stipulated requirements, outlined below.

The claim is filed with the county assessor on or before April 1 of the first year in which a claim is filed and forwarded to the Department of Revenue for final approval. An approved claim has the effect of deferring payment of property taxes on a homestead for the next fiscal year, July 1; continues the deferral of property taxes on claims approved for previous years; and continues the deferral of future year's taxes as long as the property complies with requirements of the law.

The necessity for annual renewal of a claim is eliminated. A duly appointed guardian or conservator may act for an individual otherwise qualified to obtain a deferral of taxes.

To qualify for a deferral, the property must conform with all of the following requirements when the claim is filed and continue in that status to remain eligible:

(1) The property must be the homestead (principal dwelling) of the person filing the claim.

(2) The person making a claim for tax deferral must, alone or jointly with spouse, own the fee simple estate (homestead) or be purchasing same under a recorded instrument of sale. Similar provisions apply to two or more persons filing a claim, but further require rights of survivorship, residence in the homestead, and jointly claimed by all owners.

(3) The homestead must not be income-producing property (gross receipts of $1,800 or less).

(4) There can be no prohibition to deferred taxes in any provision of Federal law, rule or regulation applicable to designated loan agreements for which the homestead is security.

Since September 9, 1971, Oregon law forbids inclusion of a provision in a mortgage trust deed or land sale contract prohibiting the owner from applying for the deferral of homestead property taxes. If included in such instrument after that date, such clause or statement is void.

The deferred taxes and interest become due and payable when (1) the claimant dies; (2) the property is sold, contracted for sale, or ownership changes; (3) the property is not the dwelling of the claimant, except for absence by reasons of health; (4) the property changes to income-producing property; or (5) the tax-deferred property, mobile or floating home, is moved out of the state.

In case of any of the foregoing, the deferral continues for that assessment year, but the entire amount is due and payable to the Department August 15th of the next calendar year. If not timely paid, such amounts are deemed to be delinquent and subject to foreclosure. For movable property, the deferred taxes and interest shall be due and payable five days prior to the date of removal from the state.

In the event of death of the taxpayer and other limited circumstances, the spouse may continue the tax-deferred status of the homestead if the spouse is or will be 60 years of age or older not later than six months after the taxpayer's death. The requirements of residence and ownership still apply, as well as the income limitation on the property.

A spouse not meeting the age requirement but who is otherwise qualified to continue the homestead in its tax-deferred status may continue the deferral of accumulated property taxes for previous years, provided a claim is filed and eligibility is constant. As construed by this writer, property taxes must be paid currently by the spouse during those years when the age requirement is not met.

Then, upon reaching age 62 prior to March 1 of any year, the spouse may elect to continue the deferral of previously deferred taxes and may elect to defer the current assessment year's taxes on the homestead by filing an appropriate claim - the same as the initial filing made by the deceased taxpayer. Thereafter, payment of property taxes on the homestead in the current and future years may be deferred in the same manner as the original taxpayer, subject to the same rules for eligibility.

Prior to the 1977 amendments, property taxes on the homestead were required to be paid currently as a condition for eligibility. This is no longer a mandate, but delinquent taxes cannot be deferred and must ultimately be paid. If not, collection by foreclosure may still be exercised. Taxes on real property not paid by August 15th are delinquent and, if not paid within three years, are subject to foreclosure. Taxes on personal property becomes delinquent when any quarter or specified payment is not paid.

As "security" for the State, the Department has a lien against the tax-deferred property in the amount of deferred taxes and interest. These liens have the same priority as other real property tax liens, but the lien of mortgages or trust deeds recorded prior in time to the attachment of liens for deferred taxes shall be prior to liens for deferred taxes.

In this outline of the procedures applying to the deferral of homestead property taxes, a description of the "mechanics" has been omitted. The Act has made numerous changes, some of which are discussed in the text and not repeated here.

Some of the more significant changes are worthy of more or repeated comment. They include the elimination of the annual filing for deferral, substituting a notice that the deferral will continue unless notified to the contrary by the taxpayer. No longer is there a penalty for late filing as a result.

Repeal of the requirement that property taxes on the homestead be current could lead to problems. Since they are not deferred, delinquent taxes continue as an obligation of the applicant for a deferral and must be paid to avoid the possibility of foreclosure.

In the writer's opinion, the most significant change shifted the deferred-tax burden from the Public Employes Retirement Fund to the State of Oregon.

EXHIBIT D

(Continued from page 1)
it-yourself kit tailored to conform to your locality. You may be in for a surprise.

Before studying the table with a projection of deferred taxes on our 'model' home, bear in mind the following assumptions. In this illustration, we've assumed a home assessed at $30,000 true cash value (TCV), beginning in 1978. While the rate of inflation fluctuates, we have used a constant rate of 5%.

The tax rate used is also constant - $30 per $1,000 or 3% of TCV. This rate is higher than the average of tax rates in all cities in Oregon, so in terms of the number of city residents, the table overstates annual and accumulated taxes and interest on our 'model' home computed for each year.

Interest is established by statute, at 6% since inception of the deferral program. An increase to 8% failed to win approval in the 1977 Session.

WHAT THE TABLE SAYS

In Oregon, property taxes are due on November 15th and may be paid quarterly without penalty or interest. Other due dates are February 15, May 15, and August 15. Paid in full by November 15th, a discount of 3% is allowed; 2% for 3 quarters; and 1% if one-half of taxes are paid. Interest is computed annually from November 15 to November 15, rounded to the nearest dollar.

As an aid to understanding, the exhibit is summarized at three 5-year intervals showing the increase in assessed value (TCV); total deferred taxes; and interest accumulated in each 5-year period. The 5th year status shows an increase in TCV of $8,290 and after subtracting $6,122 in deferred taxes and $870 interest, the table shows a net increase in the homeowner's equity of $1,298. Added to the beginning value of $30,000, his equity equals $31,298 in the homestead assessed at $39,290.

If a reader is tempted to ask: "So what?", there's an eye-opening answer that will surprise many, if not all, with a like query: "Let them eat cake."

The "cake" appears in the 5th year summary of deferred taxes totalling $6,122, the amount of taxes our 'model' homeowner would have paid had he not elected to defer taxes on his homestead. No interest would have accrued but his retirement income would have been reduced in the dollar amount of deferred taxes. He can't "eat" the interest but he will have had the use of an extra $6,122 for living expenses, medical costs or, if his homestead is mortgaged, an annually increasing amount to make the payments.

In the 15th year, his status shows a modest improvement. His homestead has more than doubled in TCV to $62,370; deferred taxes total $21,291; and interest totals $8,290. Despite these obligations, his equity will have increased to $32,789 after deducting the 15-year accumulation of deferred taxes and interest. (TCV $62,370, minus $21,291 deferred taxes and minus $8,290 interest, equals $32,789.)

In terms of "cake", our 'model' homeowner will have increased his disposable income by $21,291 to spend at his discretion for any purpose, including maintenance. The only part he can't "eat" is the accumulation of $8,290 in interest. Still, interest bears a close resemblance to a carrying charge but, for deferred homestead taxes, the rate is about half or less than the rate of consumer credit. So, it may be appropriate to modify a previous statement to read: "Let them eat cake - without frosting."

ALL IS NOT GOLD THAT GLITTERS

This is the tale of numbers in the table, but it is inaccurate, if not false, to omit a reference to our old nemesis - inflation. If the market value (sale price) of the homestead matches its assessed value (TCV) - $62,370 in 1993 - its sale should net the estate an amount close to the equity in the home - $32,789 - the bottom line number. In dollars, it is more than the intended gift "for the kids", but inflation's toll has eroded its worth nearly one-half, mute testimony to its relentless assault.

Still, there can be a brighter picture and a happier ending. To illustrate, assume the sale of a home in closing an estate as outlined above. Our goal is to restore the gift to its 1978 value of $30,000. Here, the owner's retirement income is sufficient to meet current expenses, including resources to pay property taxes. But with no lid on either income or value of a home, the owner applies for and receives a deferral of property taxes on reaching age 62.

Then, by prudent investment, the grantors could secure a rate of return yielding more than the 6% interest charged and, in 15 years, accumulate a fund greater than the accumulated total of deferred taxes and interest. Depending on the source of their retirement income, State and Federal income taxes could wipe out the gain or make it marginal, one of the deterrents to some who might otherwise choose to defer property taxes on their homes.

While there are many things to consider prior to a decision to defer property taxes on your home, one is of particular importance. Generally, deferral offers a greater benefit to applicants taking the standard deduction when filing their income tax returns. If you itemize deductions, deferred taxes are converted to taxable income, in a direct sense, and are subject to your marginal tax rate - a combination of your highest State and Federal tax brackets. Nearing 50% in Oregon on $30,000 taxable income (joint), deferred taxes lose their appeal, except in limited circumstances.

In the applicant's favor, it should be noted that interest charged on deferred taxes, now 6%, is simple; not compounded, which means that interest is not charged on interest accumulated in previous years when taxes were deferred. Therefore, an investment yielding less than 6%, compounded, may equal or exceed the 6% simple interest cost of deferred taxes over a period of time.

BRIGHTER, IF NOT GOLDEN

Before discussing the advantages of the homestead tax deferral program as it may benefit low-income or less fortunate homeowners, we should dispel one commonly-held myth, usually expressed by or associated with our elderly or 'senior citizens'. The myth is fear of eviction or a need to sell their home just to pay the property taxes on their home. If you have not read the rules for eligibility on page 2, now is the time to read them. If you read them and failed to comprehend their meaning and purpose, READ THEM AGAIN!

You'll find that NO HOMEOWNER OR HOME-BUYER, AGE 62 OR OLDER, CAN BE EVICTED FROM OR FORCED TO SELL HIS HOME IN ORDER TO PAY THE PROPERTY TAXES. A deferral continues as long as the owner or surviving spouse lives, continues to reside in the homestead, and remains eligible for deferred property taxes.

There's no doubt that some senior citizens are in a dilemma. Earnings are reduced, even nil. Pensions may be inadequate whether from Social Security, Railroad, other government, private or any combination thereof. Generally, the problem increases with age and income is being eroded from two sides - constant inflation and those darned taxes on their homestead. Their survival may well depend on eliminating one or face a worsening problem.

Since inflation is beyond their control, the answer may be the elimination of their annual "rent" to the tax collector. By applying for a deferral, a homeowner will never have to fear being tossed out in the cold or paying property taxes, as long as he is eligible - which means: You can live in your home for life after age 62, be it 10 or 30 years, free of paying any property taxes again.

THE GIFT "FOR THE KIDS"

Of course, a deferral is not free; it requires some sacrifice on the part of the applicants. Retirees with inadequate pensions or income will find it necessary to use deferred taxes for current needs but may partially maintain an intended gift "for the kids". In their case, the "kids" will have to evaluate a decision to supplement the "folks'" income or allow them to apply for Welfare. Neither the folks or kids may be aware of the deferral program, an option which could resolve or minimize their problem.

A deferral will provide an annual supplement to the "folks'" income equal to the amount of deferred taxes. Shown in the full-page table, should one or both parents live 15 years after applying in 1978, the 'out of pocket' saving in direct aid is $21,291 or, in 1978 dollars, $13,500. This is the amount the "kids" might have paid to avoid seeking Public Assistance.

Rationalized in this manner, the deferral has an appeal to both parent and heir. The parent's income is enhanced; heir or heirs are partially relieved of an obligation; and the current equity in the homestead is preserved.

Retirees with inadequate income and monthly payments owing on their home should investigate the deferral program and, in some cases, be encouraged to participate. Even in more moderate housing, deferred taxes make it easier to pay installments. In effect, the State has given them a greater "ability to pay", and since the law clearly places liens of trust deeds and mortgages ahead of deferred property tax liens, lending institutions appear to be well protected and may even be pleased.

We strongly recommend that you contact your lending institution prior to applying for a deferral.

A LITTLE OF THIS AND THAT

Initially, we alluded to a low rate of applications for deferred taxes and a potential hazard to the Retirement Fund. The real reason is unknown, so our use of a gift "for the kids" is only a best guess. Below is the experience of recent years:

Year	Number Approved	Total Taxes Deferred
1972-73	284	$ 265,045
1973-74	258	304,591
1974-75	260	381,633
1975-76	262	468,113
1976-77	511	776,016

Applications are increasing, but are only a minute fraction of the eligible universe, 150,000 or more. Were all to apply, deferred taxes could exceed $230 million, using the average of current participants. THAT NUMBER is the hazard to the Retirement Fund - a 6% simple interest return, plus a one-time 3% for discounts allowed; compared to current Treasury yields of 8½% interest, compounded. 'Nuf said!

To tailor the exhibit to your home, take your 1977 tax statement, enroute or arriving soon, and enter your TCV and gross taxes (no discount) in separate columns. Multiply by 105% to arrive at your estimate of TCV and taxes for 1978, rounded for ease of calculation. Repeat for as many years as you wish - 105% times TCV and taxes for the previous year. Insert a sub-total for each 5-year period.

Computing interest is more complex, requiring a calculation each year and a running total of interest to date. Interest starts on November 16th, so skip the first year. Then, multiply taxes deferred for the previous year by 6%, again rounded, and keep a running total of interest, sub-totalled for each 5-year period. The lien on your home is the total of deferred taxes and interest combined.

Deferred taxes may be paid to the Department at any time by persons legally interested in the property. Payment is applied against interest first and any remainder against deferred taxes. Partial payment has no effect on the deferred status of the property.

DON'T JUMP TO CONCLUSIONS

The exhibit is illustrative only and caution is suggested. The basic flaw is the use of constant rates for inflation and taxes. Inflation is often reflected in tax rates. In times of high inflation, rates may be lower or, in reverse, if inflation is stabilized or halted, tax rates may increase.

While there is no 'average' taxpayer, the computed average tax rate was about $24 per $1,000 TCV statewide in 1976-77. To assist taxpayers with near-average tax rates, we computed the deferred taxes and interest on a $30,000 home, using a $25 per $1,000 rate. The status in 5-year periods showed:

Assessed Value-TCV	Deferred Taxes	Interest	Taxes & Interest	Owner's Equity
$38,290	$ 5,102	$ 722	$ 5,824	$32,466
48,870	10,685	2,855	13,540	35,330
62,370	17,743	6,890	24,633	37,737

(Continued on page 6)

PROJECTION OF HOMEOWNER'S TAX DEFERRAL IN OREGON WITH $30,000 HOME, $30 PER $1,000 TAX RATE AND 5% INFLATION

Year	Assessed Value (TCV) Inc. @ 5% Per Year	Deferred Taxes @ $30 per $M (3% of TCV)	Interest on Deferred Taxes at 6% for Period 11/15 to 11/15 Annually, Rounded	Interest: Annual and Cumulative	Increase: TCV over Taxes and Interest	Residual Value
1978	$30,000	$ 900	$0	$ 0		
1979	31,500	945	54 -	54		
1980	33,075	992	54 + 57 -	111		
1981	34,730	1,042	54 + 57 + 60 -	171		
1982	36,465	1,094	54 + 57 + 60 + 63 -	234		
1983	38,290	1,149	54 + 57 + 60 + 63 + 66 -	300		
5th Year Summary -						
TCV Inc. -	$ 8,290	$ 6,122 Deferred Taxes	Total Interest	$ 870		
Status -	$ 8,290 less $ 6,122 deferred taxes; less $870 interest = gain in TCV over charges -				$1,298	
			Homeowner's equity in homestead -			$31,298
1984	$40,200	$ 1,206	$54 + 57 + 60 + 63 + 66 + 69 -	$ 369		
1985	42,210	1,266	54 + 57 + 60 + 63 + 66 + 69 + 72 -	441		
1986	44,320	1,330	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 -	517		
1987	46,540	1,396	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 -	597		
1988	48,870	1,466	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 + 84 -	681		
10th Year Summary -						
TCV Inc. -	$18,870	$12,786 Deferred Taxes	Total Interest	$ 3,475		
Status -	$18,870 less $12,786 deferred taxes; less $3,475 interest = gain in TCV over charges -				$2,609	
			Homeowner's equity in homestead -			$32,609
1989	$51,310	$ 1,539	$54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 + 84 + 88 -	$ 769		
1990	53,875	1,616	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 + 84 + 88 + 92 -	861		
1991	56,570	1,697	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 + 84 + 88 + 92 + 97 -	958		
1992	59,400	1,782	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 + 84 + 88 + 92 + 97 + 102 -	1,060		
1993	62,370	1,871	54 + 57 + 60 + 63 + 66 + 69 + 72 + 76 + 80 + 84 + 88 + 92 + 97 + 102 + 107 -	1,167		
15th Year Summary -						
TCV Inc. -	$32,370	$21,291 Deferred Taxes	Total Interest	$ 8,290		
Status -	$32,370 less $21,291 deferred taxes; less $8,290 interest = gain in TCV over charges -				$2,789	
			Homeowner's equity in homestead -			$32,789

GET READY FOR OTR'S DAY

Armed with the report of the Nominating Committee of Oregon Tax Research, it is our pleasure to announce that the Annual Meeting of Oregon Tax Research will be held on Tuesday, November 15th at 12 Noon in the Benson Hotel in Portland, Oregon. Highlighting our meeting is a return engagement of Mr. Maynard Waterfield, Manager of the Washington, D. C., Office of Tax Foundation, Inc., of New York.

Maynard is one of the most knowledgeable persons in and around our Nation's Capitol, particularly with regard to matters of taxation. He is planning to address the then-current status of tax legislation; "reforms" as recommended by the Administration and revised by the Congress. With a little 'arm twisting', he may be persuaded to respond to your particular concerns.

By appointment of OTR President Irvin H. Luiten, the Nominating Committee consists of Wesley E. Radford, Northwest Natural Gas Company, Chairman; Charles B. Cunningham, Boeing Company of Oregon; and Nello J. Vanelli, ESCO Corporation. Recommended for re-election to the Board of Directors for 3-year terms are:

William H. Hedlund, Attorney, Lake Oswego
Sam E. Hughes, Giustina Bros. Lumber & Plywood, Eugene
Warne H. Nunn, Pacific Power & Light Company, Portland
Robert S. Oslund, Georgia-Pacific Corporation, Portland
Estes Snedecor, Jr., Portland General Electric Company, Portland
C. F. Tyler, Boise Cascade Corporation, Boise, Ida.

Recommended to fill vacancies on the Board, resulting from retirement, are:

Robert G. Cameron, The Lloyd Corporation, Portland
Robert A. Elliott, First National Bank of Oregon, Portland
Ralph E. Hamilton, Burlington Northern Railroad, Portland

Retiring Directors are Franz B. Drinker, a 26-year veteran-Director and Past President of OTR; John I. Sell, another Past President; both from Portland; and Lee V. Ohmart, Salem. There is no way to indicate in a few words our appreciation to these gentlemen for their many contributions in service to Oregon Tax Research which, combined, represents more than 40 years of involvement in OTR's affairs. We hope you can attend our meeting and join in wishing them the very best in the future and thanking them for a job well done.

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(Continued from page 4)

Compared to the full-page exhibit, a lower tax rate makes significant differences. Capsuled, the homeowner's equity increases by almost $5,000, resulting from a drop in deferred taxes of $3,548 and a reduction of $1,400 in interest owed.

Rarely will these examples fit actual conditions, so each person must make his own judgment. The Department of Revenue is a logical source for information or, with other tax consequences in mind, your CPA or tax preparer with "know how" about the law.

All homeowners meeting the requirements on page 2 are eligible at age 62. Currently, there is no income limitation or ceiling on assessed value of a homestead. In answer to the opening question: If you didn't know, Oregon does have a "tax shelter" for every homeowner. The choice is yours.

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EXHIBIT E

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION		SENATE ACTION	
Adopted	☐	Adopted	☐
Lost	☐	Lost	☐
Date:		Date:	
Initial:		Initial:	
Concurred in	☐	Concurred in	☐
Not concurred in	☐	Not concurred in	☐
Date:		Date:	
Initial:		Initial:	

Assembly AMENDMENT BLANK

AMENDMENTS to Assembly ~~Joint~~

Bill No. 5 ~~Resolution No.~~

BDR 32-666

Proposed by Committee on Taxation

Amendment Nº 14

Amend the bill as a whole by adding a new section, designated section 1, following the enacting clause, to read as follows:

"Section 1. NRS 361.825 is hereby amended to read as follows:

361.825 "Property taxes accrued" means property taxes (exclusive of special assessments, delinquent taxes and interest) levied on a claimant's home in this state which are due and payable during July, immediately succeeding the date of filing of a claim. If a home is owned by two or more persons or entities as joint tenants or tenants in common and one or more persons or entities are not members of the claimant's household, property taxes accrued is that part of the property taxes levied on the home which reflects the [ownership] percentage of the residential space occupied by the claimant and his household."

Amend the bill as a whole by renumbering sections 1 and 2 as sections 2 and 3.

To: E & E
LCB File
Journal ✓
Engrossment
Bill

Date 1-30-79 Drafted by FWD:sl

Amendment No. 14 to Assembly Bill No. 5 (BDR 32-666) Page 2

Amend the bill as a whole by adding a new section, designated section 4, following section 2, to read as follows:

"Sec. 4. NRS 361.873 is hereby amended to read as follows:

361.873 1. The department is responsible for the overall administration of the Senior Citizens' Property Tax Assistance Act.

2. The department may:

(a) Specify by regulation any other kind of income for the purpose of NRS 361.823.

(b) Prescribe the content and form of claims and approve any form used by a county assessor.

(c) Designate the kind of proof to be required for substantiation of claims.

(d) Establish criteria for determining when a claim may be filed by one of two eligible spouses without the consent of the other.

(e) Prescribe that a claimant's ownership of his home must be shown of record.

(f) Provide by regulation that a vendee in possession of his home under an installment sale contract and responsible for paying the property taxes on the home is eligible to claim assistance as a homeowner.

(g) Provide by regulation that an otherwise eligible person who has conveyed his ownership interest to a member of his family but occupies the entire home and actually pays the property taxes thereon may claim assistance as a homeowner.

(h) Limit the computation of benefits to the nearest dollar and limit issuance of warrants to $5 or over.

[(h)] (i) Verify and audit any claims, statements or other records made pursuant to this act.

[(i)] (j) Adopt regulations to safeguard the confidentiality of information supplied by claimants.

[(j)] (k) Provide by regulation for a limited extension of time to file a claim in cases of hardship.

[(k)] (l) Adopt such other regulations as may be required to carry out the purposes of the Senior Citizens' Property Tax Assistance Act."

Amend the title of the bill, 3rd line, by inserting after "allowance;" the phrase "broadening permissible eligibility for benefits;"