**Overview**

Modifies the debt limit restriction in the senior deferral program by allowing deferrals to be granted when outstanding debt on the property does not exceed 75 percent of market value.

**Section**

1. **Program qualifications.** Allows a senior deferral to be granted as long as the total outstanding debt against the property does not exceed 75 percent of the assessor's estimated market value (EMV) of the property (provided the other qualifying conditions are met). Under current law, the maximum allowable debt is 30 percent of EMV.

2. **Termination.** Clarifies that in the case of properties with more than one qualifying homeowner, the deferral is not automatically terminated by the death of one homeowner. For example, in the case of a married couple in which both spouses qualify for the deferral, the deferral would not terminate on the death of one of the spouses.

3. **Effective date.** Makes section 1 and 2 effective for taxes payable in 2001, with the changes applying to current program participants as well as future applicants. Section 1 also applies retroactively in two cases:
   - if a homeowner had initially qualified for taxes payable in 1999 or 2000 but had not been granted a deferral for payable 2000 due to the 30 percent debt limit restriction; and
   - if a homeowner did not qualify to enter the program for payable 2000 due to the 30 percent debt limit restriction.

   In both cases the homeowner may retroactively qualify for a payable 2000 deferral by applying to the commissioner of revenue by July 1, 2000, and would then receive a refund for excess taxes already paid.