

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	HB 2735-B
Revenue Area:	Income Tax and Property Tax
Economist:	Mary Ayala
Date:	6/8/2007

Measure Description: Repeals ORS 316.153 which grants mobile-home owners a tax credit against personal income taxes, subject to satisfying income eligibility criteria, if they are required to move their homes due to a mobile-home park closure. Replaces this statute by providing mobile-home owners with a refundable tax credit, not to exceed \$10,000, against personal income taxes as of July 1, 2007. The amount of the \$10,000 credit is reduced by the amount the household receives if it is paid compensation for the exercise of eminent domain. [Unlike current law, the \$10,000 credit does not depend on income thresholds or the value of the mobile home]. Clarifies that the tenancy ends on the last day a that member of the individual's household occupies the manufactured dwelling at the manufactured dwelling park; and tenancy does not end of if the park is converted to a subdivision and the individual buys a space or lot in this subdivision, or sells the dwelling to a person who buys a space in the subdivision. Requires the owner of a mobile-home park to pay each mobile-home owner between \$5,000 and \$9,000 if the homeowner is forced to relocate or abandon his property due to the park's closure. Requires the Office of the Manufactured Dwelling Park Community Relations to adopt rules establishing a sample form for the notice of termination that is sent to a park resident declaring that he must vacate the park. In consultation with the Department of Revenue, the Office of the Manufactured Dwelling Park Community Relations shall adopt rules for establishing a sample form that will instruct park residents that a closure may allow the taxpayer to appeal a property tax assessment on the manufactured dwelling. These rules become operative January 1, 2017. Exempts from income tax the payments to homeowners in amounts ranging between \$5,000 and \$9,000; and requires that certain activities shall be included in the activities performed by the Office of Manufactured Dwelling Park Community Relations within the Housing and Community Services Department. Creates the Office of Manufactured Dwelling Park Community Relations. Prohibits local governments from adopting or amending a local ordinance, rule or law that modifies local regulation of manufactured dwelling park closures, except that they may enforce existing local laws if they provide tenants with equal or greater rights than are provided under this Act. Prohibits local governments from adopting or amending an ordinance that pertains to regulation of mobile home park closures; but provides a 90 day window after the effective date of this Act, during which time the local governing authorities will have the opportunity to adopt laws, ordinances or rules related to closures of mobile home parks; and these laws, rules or ordinances will be grandfathered in by this Act. Repeals the current January 1, 2008 sunset date for an exemption on capital gains derived from the sale of a mobile-home park to a mobile-home association. Requires that the owner of a marina pay owners of floating homes the lesser of \$3,500 or moving and set-up costs, if the marina is closed and the tenant is given less than 180 days notice to vacate the premises. Instructs the Department of Housing and Community Services to adopt rules to administer this section. Expands use of the annual \$6 assessment imposed on a manufactured home that is credited to the Mobile Home Parks Account. In addition to ORS 446.515, the assessments may be used for carrying out ORS 446.380, 446.385, 446.392 and 446.543. Except as noted in Section 2 (a), takes effect 91 days after sine die.

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Revenue Impact:

\$ millions	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	-\$2.03	-\$2.03	-\$4.06	-\$4.06
State Other Funds	0	0	0	0
Local Government	0	0	0	0
Local School Districts	0	0	0	0

Impact Explanation:

Personal or Corporate Income Tax \$10,000 Refundable Credit. Between 2005-2007, on an annual basis, 15 mobile-home parks closed which removed 460 rental spaces from the housing market .Assumptions: (1) the homeownership rate is 65%, (2) the occupancy rate is 80%; and (3) 15% of the spaces will be transferred/sold to mobile-home tenant associations other qualified entities listed in this HB.