

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure

Vote: 3 - 0 - 2

Yeas: Beyer, Prozanski, Burdick

Nays: 0

Exc.: Kruse, Walker

Prepared By: Bill Taylor, Counsel

Meeting Dates: 5/14

WHAT THE MEASURE DOES: Allows the Department of Revenue (DOR) to record with the Department of Consumer and Business Services a lien for deferred taxes on a manufactured home. Clarifies that DOR has a lien not only for the deferred taxes, but also interest on the deferred taxes. Allows the DOR to record with the Secretary of State's office a lien for deferred taxes on a floating home. Declares an emergency; effective January 1, 2008.

ISSUES DISCUSSED:

- When is a manufactured home treated as personal property, and when is it treated as real property

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon law allows a person 62 years or older, or a disabled person, to ask to have property taxes on his or her home deferred. If the property owner qualifies, then DOR pays the county the taxes owed. In return, DOR has a lien for the taxes, plus interest, on the property. This lien is filed with the county mortgage records and protects the DOR's interest in the property against subsequent purchasers of the property or subsequent liens.

"Manufactured homes" are treated differently for tax purposes than the traditionally built homes in that they are considered personal property rather than real property when the land upon which the home sits is owned by someone other than the person who owns the manufactured home. Ownership deeds of land and land with structures attached to the land and mortgages and liens on these properties are filed with the county. Deeds of ownership and liens on manufactured homes are filed with the Department of Consumer and Business Services. Currently, Oregon law is ambiguous concerning how to handle deferment of taxes on manufactured homes when these homes are considered personal property. There is a similar issue with floating homes (e. g., houseboats).