

**REVENUE: Revenue statement issued**

**FISCAL: No fiscal impact**

**Action:** Do pass with different amendments to the A-Engrossed bill and be printed B-Engrossed Minority.

**Signers of Minority Report:** Butler, Bruun

**Prepared By:** Mary Ayala, Economist

**Meeting Dates:** 5/22, 6/8

**WHAT THE BILL DOES:** 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 that a member of the individual's household occupies the manufactured dwelling at the manufactured dwelling park; and tenancy does not end 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, but it does not limit the adoption of local laws that provide incentives or bonuses to landlords that voluntarily preserve or create affordable housing related to the closure partial closure of a manufactured dwelling park. These restrictions apply as of the effective date of this 2007 Act; but it does not render moot any appeal pending from a trial court's final judgment in an action or suit regarding the application of a local law regulating manufactured dwelling park closures or partial closures. 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 the 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.

**ISSUES DISCUSSED:**

- The full vs. modified preemption clause associated with local governing authorities' ability to adopt laws related to the closure of mobile home parks after the effective date of this Act.
- The cost-effectiveness of the \$10,000 credit. (i.e., The recurring public cost of providing nursing-home care to persons displaced from their communities due to park closures could easily exceed the one-time \$10,000 income tax credit that will help displaced households purchase their parks, move their homes to other 'open' mobile park sites, or find alternative affordable housing.

**EFFECT OF MINORITY AMENDMENTS:** Preempts any adoption, application or enforcement of any local law regulating a closure of a manufactured dwelling park on or after the effective date of this Act; but it does not prohibit adoption of a local law that provides incentives or bonuses to landlords that voluntarily preserve or create affordable housing related to the closure or partial closure of a manufactured dwelling park. Does not render moot any appeal pending from a trial court's final judgment in an action or suit regarding the application of a local law regulating manufactured dwelling park closures or partial closures. Clarifies that the tenancy at a park does not end 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. Deletes Sections 23 and 24 that grant a 5 year freeze on the assessment of closed mobile home parks. 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 the landlord shall provide notice to the tenant that a park's closure may allow the taxpayer to appeal the property tax assessment on the manufactured dwelling. Effective January 1, 2017. Lists specific duties that must be undertaken by the Department of Housing and Community Services Department with respect to the establishment of the Office of Manufactured Dwelling Park Community Relations within the Department. These activities include, but are not limited to, coordinating or conducting tenant resource fairs and tenant counseling. Expands the 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.

**BACKGROUND:** Under current law (ORS 630 (5)), if a mobile-home park is going to be closed, the park owner must notify the park residents in writing 365 prior to the closure. Alternatively, the residents may be given no less than 180 days notice in writing; but in this case, the park owner must also pay each owner of a mobile-home that must be moved or abandoned, the lesser of \$3,500 or the cost of moving the mobile-home to a new location. Current law enacted in 2005, grants mobile-home owners credits against their income tax liabilities in order to offset the costs of moving their homes if they are forced to relocate them due to a park's closure. These tax credits are refundable for households that satisfy lower income thresholds; and they are non-refundable with carry-forward provisions for other households if the fair market value of the owner's mobile-home does not exceed \$110,000 and gross household income is less than \$60,000 but greater than 200% of Federal Poverty Levels, based on family size. Current law, enacted in 2005, also exempts from personal or corporate income tax any capital gains derived from the sale of a mobile-home park to a tenants' association, a facility purchase association, a tenants' association supported by a nonprofit organization, a community development corporation, or a housing authority. The laws enacted in 2005 sunset in January 2008.