

STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Business, Transportation, and Workforce Development

REVENUE: May have revenue impact, statement not yet issued**FISCAL:** May have fiscal impact, statement not yet issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Finance and Revenue by prior reference
Vote:	3 - 1 - 1
Yeas:	George L., Starr, Metsger
Nays:	Monnes Anderson
Exc.:	Deckert
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	4/30

WHAT THE MEASURE DOES: Modifies notice and payment provisions required when landlords close manufactured home parks for conversion to other uses. Requires at least 365 days notice and payment to residents: \$5,000 for a single-wide, \$7,000 for a double-wide, and \$9,000 for a triple-wide or larger. Requires 180 days notice of conversion of a park to a manufactured home subdivision; does not require the payment to tenants who buy or sell their lots. Specifies that the amounts be adjusted annually for inflation and that the payment is not taxable income. Disallows rent increases during the notice period and specifies that a resident will not be charged rent after leaving early and will not be charged for abandoning the home. Extends the sunset to 2012 on the current \$10,000 tax credit for residents, makes the credit refundable, and eliminates income limits on the credit. Extends the sunset to 2012 on the current capital gains exemption for landlords who sell to entities that preserve the park. Freezes the assessed valuation of the park land for five years after closure. Specifies that local ordinances cannot be applied to park closures for which closure notices are given on or after the effective date of the measure. Requires copies of the closure notice be given to known lenders and to the Department of Housing and Community Services, as well as to residents. Takes effect on 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- History of local ordinances and state involvement
- Status of legal challenges to local ordinances
- Effect of land use laws, density requirements, and urban growth boundaries on conversion of parks
- Difficulty faced by many residents due to closures and the high costs of relocating homes
- Future of manufactured home parks
- Whether pre-emption and/or grandfathering provisions are appropriate

EFFECT OF COMMITTEE AMENDMENT: Replaces the original bill by adding further conditions to provisions.

BACKGROUND: Over the past five years, closures of manufactured home parks have left residents unable to afford to move their homes and unable to sell them because of the moving costs a buyer would encounter. The cities of Wilsonville, Bend, Eugene, and Oregon City have adopted ordinances to partially protect residents by requiring notice periods and payments to homeowners. State laws also govern closures.; under ORS 90.630, a park landlord may close a manufactured housing park to convert the land to another use if the landlord either provides a one-year notice, or provides at least 180 days notice and finds an alternative space acceptable to the tenant and pays up to \$3,500 toward moving expenses. Displaced residents are also eligible for a \$10,000 tax credit and landlords who sell to entities that will preserve the park are eligible for a capital gains exemption.

Senate Bill 17-A pre-empts local ordinances for closures noticed after the effective date, establishes a minimum one-year notice, increases landlord payment for homes, and extends sunsets on certain tax benefits to homeowners and park owners. The measure also creates a new five-year property tax freeze for parks that are redeveloped.

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This summary has not been adopted or officially endorsed by action of the committee.