

74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB 984-B
CARRIER: Sen. Starr

REVENUE: No Revenue Impact

FISCAL: Minimal fiscal impact; no statement issued

Action: Do pass as amended and be printed engrossed

Vote: 5-0-0

Yeas: Burdick, G. George, Monroe, Starr, Deckert

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 4/24, 5/2

WHAT THE BILL DOES: Expands the affordable housing credit in two ways. Includes loans used to finance the construction, development, acquisition, or acquisition and rehabilitation of manufactured dwelling park homes. Includes loans used to finance the acquisition, or acquisition and rehabilitation of housing consisting of a "preservation project". Defines "preservation project" as housing that was previously developed as affordable housing with a contract for rent assistance from the federal government and is being acquired by a sponsoring entity (e.g. a nonprofit or housing authority). Applies to tax certifications issued on or after the effective date of this Act. Takes effect on the 91st day after adjournment sine die.

ISSUES DISCUSSED:

- The closing of manufactured structure parks in residential areas
- Rural development projects
- Trends in the housing market
- Impact of changing the annual limit on total credits

EFFECT OF COMMITTEE AMENDMENTS: Removes the change to the annual limit on total credits.

BACKGROUND: In 2005 the Legislature modified this credit by increasing the annual limit from \$6 million to \$11 million and extending the sunset date from December 31, 2009 to December 31, 2019. In tax year 2004, 27 corporations claimed total credits of \$3.7 million. Of these corporations, 23 reduced their tax liability a combined \$3.2 million, or roughly \$139,000 per taxpayer.

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