

HB 2447A

Extend Tax Credit for Manufactured Home Park Residents Displaced by Park Closures

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Under current law, there is a \$5,000 refundable tax credit to help offset costs of manufactured home park residents if they are displaced because the park is closed. That tax credit sunsets at the end of 2014. HB 2447A would extend the tax credit through 2020.

Objective:

Continue to provide financial assistance to displaced residents of closed manufactured home parks.

Key points:

- This tax credit was created in 2005, in a bill sponsored by Rep. Jerry Krummel (R-Wilsonville) to provide relief to the many Oregonians who were displaced by the rampant closure of manufactured home parks across the state. The bill also required landlords to assist displaced residents with some portion of moving costs. The Manufactured Home Park Landlord-Tenant Coalition has supported extension of this credit since then.
- When a manufactured home park closes, the burden on residents is great. They struggle to find a new place to live, at the same time they are faced with the sudden de-valuing of their manufactured homes. Residents are generally seniors, and have been long-term, paying residents of a valued community when they are forced to move.
- The cost of moving, coupled with the de-valuation of their homes, has a significant financial impact on residents in parks that close.
- The tax credit offsets the costs of this move, easing the burden on vulnerable homeowners and helping to avoid homelessness.
- This bill would not create a new tax credit. It only maintains the current credit.
- LRO has projected the impact of the tax credit over the next three biennia at \$0, \$100k, and \$100k, respectively. The Governor has projected it at less than \$100k for the next two biennia each.
- The cost of the credit has been low because of the crash in the real estate market in 2008. When the market revives, manufactured home parks will become vulnerable to closure and redevelopment again.
- The \$5,000 tax credit is found in small print following ORS 316.116. The source is 2007 Oregon Laws c. 906 (17) and (18) and 2009 Oregon Laws c.913 (33) (scheduled review by legislature).
- The Governor has recommended the extension.