

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Revenue

MEASURE: HB 3016

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Action Date: 03/09/15

Action: Do Pass. Refer To Human Services And Housing.

Meeting Dates: 03/09

Vote:

Yeas: 8 - Barnhart, Bentz, Davis, Johnson, Lininger, Smith Warner, Vega Pederson, Whitsett

Exc: 1 - Read

Prepared By: Christine Broniak, Economist

WHAT THE MEASURE DOES:

Modifies provisions of capital gains exemption for amounts received for sale of manufactured dwelling park. Provides more specific language on parties to which the parks may be sold to qualify for the exemption from capital gains tax. Makes conforming changes. Gives a 15 day period for tenants to organize to purchase a park in the case where financial information is not given. Brings that 15 day time period in line with the time period that tenants have to respond when financial information is provided to them by the park owner.

ISSUES DISCUSSED:

- The exemption of certain manufactured housing park capital gains income from tax
- The revenue impact of this exemption

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Currently, when a manufactured home park is sold to certain entities, any resulting capital gain is exempt from taxation under Chapter 316 (Income Tax) and Chapter 317 (Corporate Income Tax.) HB 4038 in 2014 was the product of collaboration between stakeholders. It requires the owners of a manufactured home park to notify tenants of their intentions to sell the park. The tenants have some time to respond to this notice by forming an association that would be formed for the purpose of purchasing the park. At that point, they could either form a corporate entity under ORS chapter 60, 62, or 65 that is legally capable of purchasing the property or associate with a nonprofit corporation or housing authority that is legally capable of purchasing the property. The measure makes the language more explicit that nonprofit corporations or housing authorities are entities that could purchase the property and that the property would be eligible for an exemption from tax on capital gains from the sale.