FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3016 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Modifies provisions of capital gains exemption for amounts received for sale of manufactured dwelling park.

Government Unit(s) Affected:
Department of Revenue (DOR), Housing and Community Services Department

Summary of Expenditure Impact:
See Analysis below

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
The bill makes a number of changes to laws relating to manufactured dwellings, including increasing the assessment on manufactured dwellings from $6 to $10 and allowing certain counties to cancel this assessment when ad valorem taxes are canceled. This applies to structures with a low assessed valued. The counties collect these funds and then transmit them to the Oregon Housing and Community Services Department (OHCS). The net effect of these two changes is estimated to be an increase of $215,641 in revenue to OHCS. The law also requires OHCS to compensate counties for the billing and collecting of the assessment at a rate of $1.50 per manufactured home. OHCS estimates that this will result in payments to the counties of approximately $98,000 each year. The bill also increases the annual registration fee for manufactured home parks from $25 to $50. This fee applies to parks that have more than 20 spaces and is estimated to generate revenue to OHCS of $19,875 per year. OHCS estimates that the measure will have a revenue impact of $235,516 and a fiscal impact of $97,741 for the 2015-17 biennium because it will only apply to one tax year. The impact to OHCS for two tax years in 2017-19 is estimated to be $471,033 in revenue and expenses of $195,481.

The bill also makes changes to the law regarding the issue of abandoned manufactured homes that have unpaid taxes and allows for the cancellation of back taxes in certain situations. The measure also exempts capital gains from the sale of a manufactured dwelling park to a corporate entity formed by the tenants of the park, a nonprofit corporation, or a housing authority. While the measure will require some changes to Department of Revenue forms and on-line information, it is anticipated only have minimal cost to the agency which can be absorbed within the regular course of business. Counties also report that they do not expect any fiscal impact from the measure.