

## Support

### HB 2573 -2 amendments

There are two components to the -2 amendments for HB 2573. The first is a mechanical issue brought forward by Representative Gomberg to provide clarity to taxpayers relating to personal property tax not subject to taxation. The changes proposed by Representative Gomberg require a county assessor to provide notice when a taxpayer's personal property is not subject to taxation.

The second component of the -2 amendment relates to increasing the personal property tax exemption from \$12,500 to \$25,000 on manufactured housing in counties where population exceeds 570,000. This change in value increases the exemption from a current level of \$16,500 to \$33,000. The effect of the change is confined to Multnomah and Washington Counties. Both county commissions support this change and there is no opposition. Clackamas and Lane counties declined to be included, but will retain an exemption level of \$16,500.

#### History:

During the 2010 session HB 3640 was signed into law and created an exemption level of \$12,500 for manufactured housing in counties with a population that exceeds 340,000 capturing Lane, Clackamas, Multnomah and Washington Counties. The concept in 2010 was to provide some additional financial assistance low income populations focused on preservation of affordable housing. Affordable housing options extends a range of incomes, but based on information from our housing staff the manufactured housing can typically be the first entry point for homeless and the last option available for those at risk of being homeless.

Since 2010 the starting value of \$12,500 has been recomputed annually and updated and today the exemption level for those counties that exceed 340,000 in population is \$16,500. Our housing staff believes that due to the economic recovery many properties that were once part of the exemption are no longer and we need to adjust the baseline. Based on recent data from Washington County nearly 500 properties that qualified for the exemption in 2010 no longer qualify. This represents a 35% decline in properties no longer receiving the exemption.

#### New Exemption Level

Our housing staff believes that by raising the personal property tax exemption level to a level of \$33,000 for manufactured housing there will have been enough of a buffer to catch up to property value increases for a number of years to come. Based on data from Washington and Multnomah Counties over 6,100 units will receive this tax break and provide important value to this component of affordable housing.

**Multnomah and Washington Counties are asking for your support of the -2 amendments for HB 2573. It will offer needed stability for one of the most at risk populations in our counties.**



## Assessed value comparison of manufactured housing

Less than \$30,000



Less than \$20,000



Less than \$15,000

