

SB 197 STAFF MEASURE SUMMARY

Senate Committee On Housing

Prepared By: C. Ross, LPRO Analyst

Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 3/4, 3/11

WHAT THE MEASURE DOES:

Extends sunset for tax credit for closure of manufactured dwelling park from 2020 to 2026. Allows tax credit to be claimed by tenant based on agreement with landlord or via termination of agreement due to exercise of eminent domain. Applies to tax years beginning on or after January 1, 2017. Takes effect 91st day after *sine die*.

ISSUES DISCUSSED:

- Extension of tax credit also addressed in Senate Bill 586
- Wave of park closures that led to development of tax credit and its utility

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The tax credit for closure of manufactured dwelling parks is one of nine tax credits required to be reviewed during the 2019 regular session. It was enacted in 2007 via House Bill 2735. It is a \$5,000 refundable credit available to owners whose principal dwelling is a manufactured home, in a park that is being closed and rental agreement terminated, due to an exercise of eminent domain. The amount of the credit is reduced by any amount paid to the homeowner as compensation. It is currently scheduled to expire in 2020. (*Tax Credit Review: 2019 Session (Research Report #2-19)*, Legislative Revenue Office.)

Senate Bill 197 extends the sunset date from 2020 to 2026, on the tax credit for closure of a manufactured dwelling park to maintain its availability for tenants.