REVENUE: Revenue statement issued
FISCAL: No fiscal impact

Action:		Do pass with amendments to the B engrossed bill and be printed engrossed
Vote:		5-0-0
	Yeas:	Burdick, G. George, Monroe, Starr, Deckert
	Nays:	
	Exc.:	
Prepared By:		Mary Ayala, Economist
Meeting Dates:		6/21, 6/22

WHAT THE BILL DOES: Requires an owner of a mobile-home park to pay each mobile-home owner between $5,000 and $9,000 if the homeowner is forced to relocate or abandon his property due to the park's closure. These payments shall be exempt from income tax. This exemption is applicable to tax years on or after January 1, 2007 and before January 1, 2013. Creates the Office of the Manufactured Dwelling Park Community Relations, within the Housing and Community Services Department effective January 1, 2013. Requires this Office to adopt rules establishing a sample form for the notice of termination that is sent to a park resident declaring that he must vacate the park. In consultation with the Department of Revenue, this Office shall also adopt rules for establishing a sample form that will instruct park residents that a closure may allow the taxpayer to appeal a property tax assessment on the manufactured dwelling. <u>Prohibits local governments from enforcing an ordinance, rule of other local law regulating manufactured dwelling park closures after July 1, 2007. Notwithstanding this prohibition, within 90 days of the effective date of this Act, a local governing body may amend a law, rule or ordinance that was adopted before July 1, 2007, if the amendment increases the rights of park tenants to be equal to or greater than the rights established by this Act.</u> Establishes a January 1, 2014 sunset date for an exemption on capital gains derived from the sale of a mobile-home park to a mobile-home association. Requires that the owner of a marina pay owners of floating homes the lesser of $3,500 or moving and set-up costs, if the marina is closed and the tenant is given less than 180 days notice to vacate the premises. Instructs the Department of Housing and Community Services to adopt rules to administer this section. Expands use of the annual $6 assessment imposed on a manufactured home that is credited to the Mobile Home Parks Account. In addition to ORS 446.515, the assessments may be used for carrying out ORS 446.380, 446.385, 446.392 and 446.543.Except as noted in Section 2 (a), takes effect 91 days after sine die**.**

ISSUES DISCUSSED:

- The loss of affordable housing created by mobile park closures has significant fiscal impacts on local governments and the state when displaced homeowners can not find housing alternatives.
- Full preemption, except for grandfathering in 4 cities that have already enacted local ordinances that guarantees homeowners financial assistance to partially offset the costs of moving of abandoning their homes if a mobile home park is closed.
- That legal issues will be minimized if a statewide policy and laws exist regarding mobile park closures that ensure uniform treatment of homeowners and park owners throughout the state.

EFFECT OF COMMITTEE AMENDMENTS Deletes the refundable tax credit, not to exceed $10,000, against personal income taxes as of July 1, 2007. Changes sunset dates from January 1, 2017 to January 1, 2013 in Section 2. Creates a January 1, 2014 sunset date for the income tax exemption on the capital gains derived from sales of mobile home parks to certain associations. Provides for full preemption except for local governments that have adopted an ordinance related to mobile home park closures or partial closures no later than 90 days after the effective date of this Act.

BACKGROUND: Under current law (ORS 630 (5)), if a mobile-home park is going to be closed, the park owner must notify the park residents in writing 365 prior to the closure. Alternatively, the residents may be given no less than 180 days notice in writing; but in this case, the park owner must also pay each owner of a mobile-home that must be moved or abandoned, the lesser of $3,500 or the cost of moving the mobile-home to a new location. Current law enacted in 2005, grants mobile-home owners credits against their income tax liabilities in order to offset the costs of moving their homes if they are forced to relocate them due to a park's closure. These tax credits are refundable for households that satisfy lower income thresholds; and they are non-refundable with carry-forward provisions for other households if the fair market value of the owner's mobile-home does not exceed $110,000 and gross household income is less than $60,000 but greater than 200% of Federal Poverty Levels, based on family size. Current law, enacted in 2005, also exempts from personal or corporate income tax any capital gains derived from the sale of a mobile-home park to a tenants' association, a facility purchase association, a tenants' association supported by a nonprofit organization, a community development corporation, or a housing authority. The laws enacted in 2005 sunset in January 2008.