# HB 2949: Mobile Home Taxation

**Background:**

Currently, those who live in manufactured and mobile homes pay personal property tax based on the assessed value of the home. Prior to 2017, the property tax bill would not be assessed if the assessed value was less than $17,000. With rising housing costs and skyrocketing appreciation among manufactured and mobile homes due to a tight housing market and the housing crisis, Multnomah and Washington County asked the legislature in 2017 to increase the cap to $34,000, effective only in counties with populations above 570,000 (ORS 308.250). This was approved and we now have a cancellation of property tax for personal property with an assessed value of $34,000 or less in Washington and Multnomah County. The value is calculated annually for inflation by the Department of Revenue. As currently written, this is not an exemption, it is an all or nothing law. If a property has a value at $34,001, it will receive a full tax bill.

**Impacts:**

As values across all home types increase, manufactured and mobile homes have not been immune to value appreciation. Because mobile homes are a low-cost housing option, they have been a popular choice for individuals 55+, people who are on social security, and low income families. Until recently, many mobile home residences in Multnomah County have remained below the $34,000 cap that is currently in place. Without the ability to raise the cap and match appreciating valuation, our data suggests that a number of families will receive a tax bill for the first time this year, and many of them will not be expecting it. Because the current cap is a cancellation, not an exemption, these families will receive a tax bill for the full value of their mobile home. Paying this bill will be a hardship for residents, and as a result, some may become housing insecure.

Multnomah County has 4,945 manufactured structures with 3,133 (63%) in East County alone. County wide, there are currently 3,030 homes that do not receive a bill for personal property as their Assessed Values are below the $34,000 threshold. Allowing counties to choose to raise the cancellation threshold to $50,000 would remove approximately $670,000 in current property tax from collection. Exempting all of the remaining 1,915 structures would subtract a total of $1.7 million in property tax revenue. Revenue that is foregone will impact the county, cities, school districts and other taxation districts that provide services to the area, however; providing a tax exemption for these naturally occurring affordable housing units may protect these families from homelessness.

Purchasing and developing affordable housing units and providing the services to re-house people experiencing homelessness is important, but costly work. Protecting residents from becoming homeless in the first place by maintaining the affordability of current units for vulnerable and fixed income residents is a cost-effective way of combating homelessness. HB 2949 is a preventative tool that the county would like to have the option to utilize as it continues to address the housing crisis.

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