HB 2136 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Action Date:	03/04/19
Action:	Do pass and be referred to Revenue by prior reference
Vote:	9-0-0-0
Yeas:	9 - Helt, Keny-Guyer, Meek, Mitchell, Noble, Sanchez, Schouten, Williams, Zika
Fiscal:	No fiscal impact
Revenue:	Revenue impact issued
Prepared By:	Amie FenderSosa, LPRO Analyst
Meeting Dates:	2/25, 3/4

WHAT THE MEASURE DOES:

Extends sunset on tax credit for closure of manufactured dwelling park. Allows tax credit to be claimed by tenant based on termination of agreement by landlord or exercise of eminent domain. Applies to tax years beginning on or after January 1, 2017. Effective 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

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. Enacted via House Bill 2735 in 2007, it is a $5,000 refundable tax credit available to owners of a manufactured dwelling as a principal residence when the dwelling park is closed and the rental agreement is terminated due to an exercise of eminent domain. The $5,000 amount of the credit is reduced by any amount that was paid to the individual as compensation for the exercise of eminent domain. If more than one individual in a household qualifies for the credit, the amount of the credit is shared in proportion to each qualifying individual’s respective gross income for the tax year. The enabling legislation for the credit contained multiple provisions relating to manufactured dwelling parks and its purpose may have been to preserve the current stock of manufactured home parks and to mitigate costs to residents who were forced to move. The credit is currently scheduled to expire in 2020. (*Tax Credit Review*: 2019 Session (Research Report #2-19) Legislative Revenue Office.)

House Bill 2136 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.