

A-Engrossed
House Bill 2664

Ordered by the House April 22
Including House Amendments dated April 22

Sponsored by Representative KENY-GUYER; Representatives NOSSE, SANCHEZ (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Extends sunset for tax credit for closure of manufactured dwelling park. Extends sunset for exemption from income or corporate excise taxes of capital gains from sale of manufactured dwelling park to certain entities.

Provides that tax credit for closure of manufactured dwelling park may be claimed by tenant based on termination of agreement by landlord or termination of agreement due to exercise of eminent domain.

Applies to tax years beginning on or after January 1, 2017.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax treatment of transactions involving manufactured dwelling parks; creating new provisions; amending sections 7 and 10, chapter 826, Oregon Laws 2005, and sections 2b, 7b, 17 and 3
4 18, chapter 906, Oregon Laws 2007; and prescribing an effective date.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** Section 7, chapter 826, Oregon Laws 2005, as amended by section 21, chapter 906,
7 Oregon Laws 2007, section 36, chapter 750, Oregon Laws 2013, and section 14, chapter 217, Oregon
8 Laws 2015, is amended to read:

9 **Sec. 7.** (1) Section 6, chapter 826, Oregon Laws 2005, applies to tax years beginning on or after
10 January 1, 2006, and before January 1, [2020] **2026.**

11 (2) The amendments to section 6, chapter 826, Oregon Laws 2005, by section 9, **chapter 217,**
12 **Oregon Laws 2015,** [of this 2015 Act] apply to tax years beginning on or after January 1, 2015, and
13 before January 1, [2020] **2026.**

14 **SECTION 2.** Section 7b, chapter 906, Oregon Laws 2007, as amended by section 3, chapter 83,
15 Oregon Laws 2011 and section 35, chapter 750, Oregon Laws 2013, is amended to read:

16 **Sec. 7b.** The amendments to ORS 90.650 by section 7a, chapter 906, Oregon Laws 2007, become
17 operative January 1, [2020] **2026.**

18 **SECTION 3.** Section 10, chapter 826, Oregon Laws 2005, as amended by section 22, chapter 906,
19 Oregon Laws 2007, section 37, chapter 750, Oregon Laws 2013, and section 15, chapter 217, Oregon
20 Laws 2015, is amended to read:

21 **Sec. 10.** (1) Section 9, chapter 826, Oregon Laws 2005, applies to tax years beginning on or after
22 January 1, 2006, and before January 1, [2020] **2026.**

23 (2) The amendments to section 9, chapter 826, Oregon Laws 2005, by section 10, **chapter 217,**
24 **Oregon Laws 2015,** [of this 2015 Act] apply to tax years beginning on or after January 1, 2015, and
25 before January 1, [2020] **2026.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 4.** Section 18, chapter 906, Oregon Laws 2007, as amended by section 33, chapter 913,
2 Oregon Laws 2009, and section 33, chapter 750, Oregon Laws 2013, is amended to read:

3 **Sec. 18.** Section 17, chapter 906, Oregon Laws 2007, applies to individuals whose household ends
4 tenancy at a manufactured dwelling park during a tax year that begins on or after January 1, 2007,
5 and before January 1, [2020] **2026**.

6 **SECTION 5.** Section 2b, chapter 906, Oregon Laws 2007, as amended by section 1, chapter 83,
7 Oregon Laws 2011, and section 34, chapter 750, Oregon Laws 2013, is amended to read:

8 **Sec. 2b.** The amendments to ORS 90.645 by section 2a, chapter 906, Oregon Laws 2007, become
9 operative January 1, [2020] **2026**.

10 **SECTION 6.** Section 17, chapter 906, Oregon Laws 2007, as amended by section 17, chapter 348,
11 Oregon Laws 2015, is amended to read:

12 **Sec. 17.** (1) As used in this section:

13 (a) “Household” means the taxpayer, the spouse of the taxpayer and all other persons residing
14 in the manufactured dwelling during any part of the calendar year for which a credit is claimed.

15 (b) “Manufactured dwelling” has the meaning given that term in ORS 446.003.

16 (c) “Manufactured dwelling park” means a place within this state where four or more manufac-
17 tured dwellings are located, the primary purpose of which is to rent space or keep space for rent
18 to any person for a charge or fee.

19 (d) “Rental agreement” means a contract under which an individual rents space in a manufac-
20 tured dwelling park for siting a manufactured dwelling.

21 (2) A credit of \$5,000 against the taxes otherwise due under this chapter is allowed to an indi-
22 vidual who:

23 (a) Rents space in a manufactured dwelling park for a manufactured dwelling that is owned and
24 occupied by the individual as the individual’s principal residence on the date that the landlord de-
25 livers notice that the park, or a portion of the park, is being closed and the rental agreement for
26 the space is being terminated **by the landlord or** because of the exercise of eminent domain, by
27 order of a federal, state or local agency [*or by the landlord*]; and

28 (b) Ends tenancy at the manufactured dwelling park site in response to the delivered notice
29 described in paragraph (a) of this subsection.

30 (3) For purposes of subsection (2) of this section:

31 (a) Tenancy by the individual at the manufactured dwelling park site ends on the last day that
32 a member of the individual’s household occupies the manufactured dwelling at the manufactured
33 dwelling park site; and

34 (b) Tenancy by the individual at the manufactured dwelling park site does not end if the manu-
35 factured dwelling park is converted to a subdivision under ORS 92.830 to 92.845 and the individual
36 buys a space or lot in the subdivision or sells the manufactured dwelling to a person who buys a
37 space or lot in the subdivision.

38 (4) Notwithstanding subsection (2) of this section, if the manufactured dwelling park, or a por-
39 tion of the park, is being closed and the rental agreement of the individual is being terminated be-
40 cause of the exercise of eminent domain, the credit amount allowed to the individual is the amount
41 described in subsection (2) of this section, reduced by any amount that was paid to the individual
42 as compensation for the exercise of eminent domain.

43 (5) An individual may not claim more than one credit under this section for tenancies ended
44 during the tax year.

45 (6) If, for the year in which the individual ends the tenancy at the manufactured dwelling park,

1 the amount of the credit allowed by this section, when added to the sum of the amounts allowable
2 as payment of tax under ORS 316.187 and 316.583 plus other tax prepayment amounts and other
3 refundable credit amounts, exceeds the taxes imposed by this chapter or ORS chapter 314 for the
4 tax year, reduced by any nonrefundable credits allowable for purposes of this chapter for the tax
5 year, the amount of the excess shall be refunded to the individual as provided in ORS 316.502.

6 (7) If more than one individual in a household qualifies under this section to claim the tax
7 credit, the qualifying individuals may each claim a share of the available credit that is in proportion
8 to their respective gross incomes for the tax year.

9 **SECTION 7. The amendments to section 17, chapter 906, Oregon Laws 2007, by section 6**
10 **of this 2019 Act apply to tax years beginning on or after January 1, 2017.**

11 **SECTION 8. This 2019 Act takes effect on the 91st day after the date on which the 2019**
12 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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