

Tapes 198-199 (A/B) Public Hearing: HB 2781A, HB 3073A, HB 3075A Work Session: HB 3071 HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE May 20, 1991 8:00 AM Hearing Room A State Capitol Building Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty

Staff Present: Dick Yates, Legislative Revenue Office Steve Meyer, Legislative Revenue Office Betty Shuholm, Committee Assistant

Witnesses Present: Rep. Liz VanLeeuwen, Dist. 37 Pam Edens, Long Term Care Financing Task Force Pam Ruona, Senior & Disabled Services Div. C. J. Hill, Oregon Assn. Area Agencies on Aging Robert W. Smith, United Seniors Shelly Shirk, Ore. Alzheimer's Public Policy Committee Rep. Ron Sunseri, Dist. 22 Emily Cedarleaf, Manufactured Housing Communities Bradley Wilder, Oregon Housing Agency Kim Worrell, Assn. of Oregon Counties Genoa Ingram, Oregon Assn. of Realtors Don Miner, Oregon Manufactured Housing Assn. Jim Brown, Department of Revenue Barbara Seymour, Legislative Counsel TAPE 198 SIDE A

005 CHAIR DELNA JONES called the meeting to order at 8:10 a.m.

WORK SESSION - HB 3071

020 STEVE MEYER summarized HB 3071 which had previously been heard in sub-committee. This legislation dealt with the homesite value for a farmer forced to sell his property and would allow special value for the homesite to continue when the farmer ceased to be involved in the activity due to retirement for age or disability.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording. House Committee on Revenue and School Finance May 20, 1991 Page 2 030 STEVE MEYER noted amendments had been made to the bill to clarify that the spouse would be eligible for the homesite special value and also clarified the issue of land division in the management of the property. 053 REP. LIZ VAN LEEUWEN testified in support of HB 3071, stating the purpose was to keep a farm as one piece and let the person living there remain in the home without having the acre taxed as if it were in an urban area. ,058 REP. PARKINSON observed the amendments did not deal with the revenue issue but did deal with the land use issue and questioned their meaning. 078 CHAIR JONES clarified that even though the spouse did not participate in the farming of the land the spouse would qualify for the credit. 114 REP. SCHOON observed that the person would first sell the farm when he retired, and then the home as it would be possible to receive a higher price for it. This legislation would permit the owner to stay. PUBLIC HEARING - HB 2781 208 DICK YATES stated this bill dealt with an existing tax credit intended to keep people out of nursing home facilities and to grant a credit to an individual who made qualified expense on behalf of one who would potentially be in a nursing home. HB 2781 raised to \$50,000 the income limit of the person paying the expenses and raised to \$16,652 for the individual being given the care. The individual should be 60 or over, or any individual regardless of age suffering from Alzheimer's disease, and must need assistance in two or more ways of daily living. HB 2781 dealt with approximately 4,000 individuals that would qualify under the new provisions. 279 REP. WHITTY questioned the advisability that the

disabled would get two exemptions but there was nothing to help the people taking care of them, except in this bill. The care givers need the preferential treatment rather than those being cared for. 307 PAM EDENS testified in support of HB 2781 as this proposal amended a dysfunctional tax credit which was on the books currently. HB 2781 would recognize and encourage individuals who were privately paying for elderly care. Exhibits 8, 9 404 PAM RUONA testified in support of the bill, clarifying that the bill was only for seniors due to the growing need for long term services for that particular population and the effect on the revenue impact.

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076 REP. RON SUNSERI testified in support of HB 3073 and HB 3075, as there was a housing crisis in the state of Oregon. These two bills were to create a situation that would allow some relief. HB 3073 created a tax credit with specific limits and applied to only those who were forced to move their mobile home. Exhibit 12 085 Discussion followed. 185 REP. SUNSERI testified that HB 3075 addressed the personal property tax as mobile homes were modular type homes set up on a permanent type basis and were no longer considered trailer houses. This asked for a

reduction of personal property taxes of 50% for people over 60 years old. This would parallel the tax deferral people received when they sold their home at age 55. There would be no impact on the general fund, and it far exceeded any benefit from potential rent control. 293 EMILY CEDARLEAF testified in support of HB 3073 as it addressed the needs of many Oregonians who chose to live in mobile homes. 306 EMILY CEDARLEAF testified in support of HB 3075 as it would help senior citizens who wanted to remain independent. 324 BRADLEY WILDER Oregon Housing Agency, testified that HB 3073 and HB 307 5 were supported by the OHA and asked for support of the committee. 343 KIM WORRELL testified that HB 3075 was an additional exemption as it would be an income tax credit and not a property tax credit. He testified there would be a fiscal impact on the schools, cities and counties. This was a new concept of granting aid to one particular class of people. 391 CHAIR JONES replied that affordable housing was a concern to everyone, and the exemption on property tax was a different issue than an exemption from the personal income tax in relationship to a sale that was increasing in value. 395 GENOA INGRAM testified in support of both HB 3073 and HB 3075 as this approach would be a bigger payoff than a future rent control for the state. TAPE 199, SIDE B 027 CHAIR JONES stated a concern that this bill asked the state, cities and counties to pick up the concern of rent control and did not address the responsibility of the park owners to not raise the rent. The issue of rents and rent increases was being addressed by giving the mobile home owner options in lease agreements.

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054 EMILY CEDARLEAF stated HB 2968 was a rewrite of the landlord tenant law that affected manufactured dwellings, as it required owners to provide prospective tenants a statement of policy which would include the basis for adjusting rent. 064 STEVE MEYER stated changes had been made in HB 3073 and HB 3075 to include mobile homes and manufactured homes. HB 3073 dealt with this from an exemption standpoint. There might not be a tax reduction in future years due to the affect of HB 2550. Exhibit 13 090 DON MINER testified in support of HB 3073 and HB 3075. In reference to HB 3073, there was a practice of local government to consider these homes as temporary use. The mobile homes were originally placed on real estate that had greatly increased in value. HB 3073 gave a tax credit that would ease the transition. 140 JIM BROWN testified HB 3073 would apply to only 50% of the value of the mobile home where the home was owned and the space was rented. If the land was owned where the mobile home was located, the credit would apply to the mobile home. 160 STEVE MEYER clarified that the intent of the legislation was that the credit would apply to the mobile home and not to the land where it was located. Discussion followed 207 REP. PARKINSON questioned whether manufactured housing was considered permanent. 211 DON MINER replied that manufactured housing could be moved. The term 'manufactured dwelling' encompassed trailer houses, mobile homes and manufactured homes. The bills refer to the definition of manufactured dwelling. 271 REP. SUNSERI clarified that the term was chosen to eliminate recreational vehicles. If a person owned the home and the land under it, and that person installed a foundation under the home, he would not pay personal property taxes. 284 CHAIR JONES stated there was some question whether the county assessors were taxing these manufactured dwellings differently from county to county. 290 BARBARA SEYMOUR testified regarding changing the term mobile home to manufactured dwelling,

stating the change had not been made in the motor vehicles statute which was the statute used because of the property tax imposition. The property tax statutes were geared to that definition and had nothing to do with the housing code.

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Betty Shuholm, Committee Assistant Kimberly Taylor, Office Manager Exhibit Summary: 1. Staff Measure Summary, Environment & Energy - HB 3071 2. Staff Measure Summary, Human Resources - HB 2781-A 3. Fiscal Analysis - HB 2781 4. Staff Measure Summary, Housing & Urban Development - HB 3073-A 5. Fiscal Analysis - HB 3073 -- 6. Fiscal Analysis - HB 3075 7. Staff Measure Summary, Housing & Urban Development - HB 3075-A 8. Testimony from Pam Edens - HB 2781 9. Summary of HB 2781 10. Testimony from Robert W. Smith - HB 2781 11. Testimony from Shelly Shirk - HB 2781 12. Letters of Endorsement - HB 3075 13. Proposed Amendments HB 3071-2

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