

**REVENUE:** Revenue Impact Issued

**FISCAL:** No Fiscal Impact

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**Action:** Do Pass the B Engrossed bill

**Vote:** 11-0-1

**House Yeas:** Barnhart, Bentz, Gelser, Read, Wand, Bailey, Berger

**Senate Yeas:** Hass, Telfer, Morse, Burdick

**Nays:** 0

**Exc.:** Brewer

**Prepared By:** Chris Allanach, Economist

**Meeting Dates:** 4/18; 5/26

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**WHAT THE BILL DOES:** Modifies the definition of “farmworker” to include aquacultural crops. Expands definition of “contributor” to include a person that has purchased or received the credit via a transfer. Establishes that farmworker housing includes housing limited to farmworkers who are retired or disabled. Makes exception to the provision barring credits for dwellings occupied by relatives of owner in case of manufactured dwelling park nonprofit cooperatives. Modifies the definition of taxpayer to include tax-exempt entities. Applies to tax years beginning on or after January 1, 2008, and to applications for farmworker housing credit approval filed on or after effective date of Act. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Changes in the farm industry
- The demand for farmworker housing

**EFFECT OF COMMITTEE AMENDMENTS:** Removes language granting rule-making authority for the definition of farmworker; removes changes made to the transferability of the credit.

**BACKGROUND:** Taxpayers are allowed a credit for the construction, rehabilitation, or acquisition of farmworker housing in Oregon. The credit is 50 percent of the eligible costs for housing projects. A maximum of \$7.25 million in eligible costs can be approved for credits in a single calendar year by the Housing and Community Services Department. The maximum amount of credit claimed by a taxpayer for any one tax year cannot exceed 20 percent of the total allowable credit. Unused credits may be carried forward for nine years.

The housing must meet certain qualifications for the taxpayer to be eligible for the credit. Rehabilitation projects must restore housing to a condition that meets building code requirements. Farmworker housing must also be registered, if required, as a farmworker camp with the Department of Consumer and Business Services.