

REVENUE: Revenue statement issued  
FISCAL: No fiscal impact

---

Action:	Do Pass and Be Referred to the Committee on Tax Credits by prior reference
Vote:	5 - 0 - 0
Yeas:	Baertschiger, Burdick, Close, Prozanski, Roblan
Nays:	0
Exc.:	0
Prepared By:	Racquel Rancier, Administrator
Meeting Dates:	2/12

---

**WHAT THE MEASURE DOES:** Extends the sunset date from January 1, 2014 to January 1, 2020 for tax credits for owners, operators or lenders of eligible farmworker housing projects.

**ISSUES DISCUSSED:**

- Unmet need for affordable and quality housing for farmworkers in Oregon
- Application of tax credit to forestry workers
- Process for verifying farmworker employment
- More than 1,200 units built since 2001
- Leveraging tax credit has allowed Oregon to compete for federal funds and private investment
- Importance of farmworker housing to agricultural economy
- Effectiveness of tax credit instead of grant
- Economic benefits to the State
- Secure housing and relationship to student success
- Amount of credits used between community-based and farm-based housing

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Farmworker Housing Tax Credit Program provides a tax incentive to those constructing, rehabilitating or installing housing for farmworkers. The program is administered by the Oregon Housing & Community Services (OHCS) Department. The tax credit may be taken on 50 percent of the eligible costs actually paid or incurred to complete a farmworker housing project. Currently, the cap on eligible costs for the credit is \$7.25 million. Eligible costs include acquisition of structures or improvements and costs for development, financing, construction, excavation, installation, and permits. The project must provide housing to farmworkers for at least 10 years after completion of the project, unless OHCS grants a waiver after the project has been in compliance for at least five years.

The Farmworker Housing Lender's Tax Credit provides a credit against corporate income taxes for lending institutions financing construction or rehabilitation of farmworker housing projects. The credit equals 50 percent of the interest income earned during the year on loans to finance the direct costs associated with constructing or rehabilitating farmworker housing.

The Farmworker Housing Tax Credit and Farmworker Housing Lender's Tax Credit are due to sunset January 1, 2014. Senate Bill 323 extends the sunset to January 1, 2020.