

## **SB 114 STAFF MEASURE SUMMARY**

### **Senate Committee On Workforce**

---

**Prepared By:** Ellen Osoinach, LPRO Analyst

**Sub-Referral To:** Senate Committee On Finance and Revenue

**Meeting Dates:** 2/19

---

#### **WHAT THE MEASURE DOES:**

Extends sunset of existing Agricultural Workforce Tax Credit (AWHTC) to January 1, 2026. Creates personal income or corporation tax credit for costs necessary to operate specified housing for agricultural workers. Tax credit is 50 percent of eligible costs incurred during tax year, reduced by grants or similar funding received for such costs. Eligible housing must comply with all occupational safety or health laws; if required, be operated by a person who holds a valid indorsement as a farmworker camp operator; if farm employment-related housing, be registered as a farmworker camp with Department of Consumer and Business Services; if community-based housing, be majority occupancy agricultural workers and meet all relevant certification requirements established by the Housing and Community Services Department (OHCS). Tax credit may not be claimed for units occupied by temporary H-2A workers, or for utilities not paid by the owner or operator. Requires certification by OHCS. Expands definition of subsidized housing for purposes of OHCS funding. Tax credit is refundable; if obtained by a tax-exempt entity, credit may be transferred. Establishes program cap (currently unspecified) for amount of tax credits certified each year. Tax credit is effective for tax years 2020 through 2026.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

No amendment.

##### **BACKGROUND:**

The Agriculture Workforce Tax Credit (AWHTC) program is designed to give a state income tax credit to investors who incur costs to construct, install, acquire, or rehabilitate agriculture workforce housing. The tax credit may be taken on 50 percent of the eligible costs actually paid or incurred to complete an agriculture workforce housing project. The tax credit program expires January 1, 2020. Expenses necessary to operate housing projects are excluded from AWHTC. Senate Bill 114 creates a tax credit to defray costs necessary to operate farm employment-related housing or housing operated by a non-profit or housing authority and occupied by a majority of agricultural workers. SB 114 extends the sunset of AWHTC to January 1, 2026.

Oregon encourages the design and construction of dwellings that enable easy access by individuals with mobility impairments and that are adaptable to allow continued use by aging occupants--a design concept known as "visitability". Oregon Housing and Community Services Department (OHCS) is authorized to provide funding for new rental developments provided they meet certain visitability requirements. SB 114 allows OHCS to provide funding for farm employment-related housing even if it doesn't meet visitability requirements.