

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: SB 114

80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office*Only Impacts on Original or Engrossed  
Versions are Considered Official*Prepared by: Michael Graham  
Reviewed by: John Borden, Michelle Deister, Matt Stayner  
Date: 2/18/2019**Measure Description:**

Creates income tax credit for operation costs of housing for agricultural workers.

**Government Unit(s) Affected:**

Department of Revenue (DOR), Housing and Community Services Department (HCSD), Department of Consumer and Business Services (DCBS)

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:****Housing and Community Services Department**

General Fund	2019-21 Biennium	2021-23 Biennium
Personal Services	\$152,931	\$174,778
Services and Supplies	19,320	17,820
<b>Total Funds</b>	<b>\$172,251</b>	<b>\$192,598</b>
Positions	1	1
FTE	0.88	1.00

**Analysis:**

The measure would create a new tax credit against personal or corporate income tax for eligible costs of operation of housing for agricultural workers. Tax credits would be refundable, as well as transferrable by tax-exempt entities. Property owners would need to obtain written certification of eligible costs from the Housing and Community Services Department (HCSD) to claim the credit. The measure would limit the total allowable credits each year, and HCSD would be permitted to adopt rules allocating the annual available credit amounts between farm employment-related housing and community-based housing. The measure would take effect 91 days after the Legislative Assembly adjourns *sine die*, become operative to tax years beginning on or after January 1, 2020, and would sunset on January 1, 2026.

**Department of Revenue:**

The measure would require the Department of Revenue (DOR) to create a new refundable credit code and explanation code. The refundable code would need to be programmed and tested by DOR's Information Technology staff. DOR would also need to set up a file transfer portal for HCSD to send certification information to DOR. The measure would have a minimal fiscal impact on DOR.

**Department of Consumer and Business Services:**

The measure would require eligible housing to comply with all occupational safety and health laws, rules, regulations, and standards codified by the Department of Consumer and Business Services (DCBS). However, the measure would not affect DCBS's current regulatory and enforcement activities. The measure would have no fiscal impact to DCBS.

**Housing and Community Services Department:**

HCSD acts primarily as a housing finance agency. It also contracts with local service providers for the distribution of state and federal resources to help low-income Oregonians access services that contribute to being able to access and maintain safe, stable housing options. While HCSD allocates low-income housing tax credits to housing developers as one source of low-income housing finance, the agency does not evaluate or certify eligibility for tax credits.

HCSD would need a permanent, full-time Program Analyst 2 to implement and administer this new program. Because HCSD does not have a revenue source for these added costs, the measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on HCSD.