



## TESTIMONY

### SENATE COMMITTEE ON WORKFORCE

February 19, 2019

#### Oregon Farm Bureau Support for SB 114

Oregon Farm Bureau respectfully asks for your support of SB 114. As a reference, the Oregon Farm Bureau Federation (OFB) is the state's most comprehensive general agricultural association, representing over 6,700 farm and ranch families in Oregon who make up a significant part of our rural communities.

In 1989 the Legislature declared, in part, *"...that it is the policy of this state to ensure adequate agricultural labor accommodations commensurate with the housing needs of Oregon's workers that meet decent health, safety, and welfare standards."* For 30 years now the Legislature has seen fit to invest and renew the Agricultural Workforce Housing Construction Tax Credit. Today this tax credit is a crucial resource for the of development safe and affordable housing for Oregon's agricultural workforce.

SB 114 expands that goal of providing safe and affordable housing for Oregon's agricultural workforce. Existing housing stock in Oregon that is in good structural standing requires maintenance, upgrading, and operation. In 2017 Sen. Courtney-D and Sen. Thomsen-R assisted in negotiating the Agricultural Workforce Housing Operations Tax Credit. The resulting concept creates a complimentary tax credit for maintaining and operating housing for agricultural workers.

SB 114 includes two provisions:

#### **1. Renewal of the "Agricultural Workforce Housing Construction" tax credit**

Taxpayers are already allowed a credit for the construction, rehabilitation, or acquisition of agriculture workforce housing in Oregon. The credit is 50% of the eligible costs of housing projects. Estimated eligible costs for all approved projects total \$7.25 million each calendar year. According to data from Oregon Housing and Community Services (OHCS), between 2001 and 2012, these tax credits were integral parts of funding packages that resulted in the construction of 1,257 units—830 community-based and 437 on-farm.

#### **2. Creation of "Agricultural Workforce Housing Operations" tax credit**

As negotiated, this credit would assist with maintenance and operations costs while ensuring that eligible housing meets all OR-OSHA health and safety laws, rules, and standards. Anyone who chooses to use the credit would not be allowed to charge occupants for utilities

covered by the credit. In this way, the credit helps to ensure that workforce housing is safe and affordable.

The tax credits are not only a public commitment to provide clean, safe, and affordable housing for Oregon's agricultural workforce, but also a safeguard. The utilization of the credit ensures the housing units are registered and inspected to meet all occupational safety and health laws, rules, regulations, and standards.

OFB asks for your support of SB 114 to renew the Agricultural Workforce Housing Construction Tax Credit and establish the Agricultural Workforce Housing Operations Tax Credit.

Thank you for your time and consideration. For more information, please contact Jonathan Sandau at [sandau@oregonfb.org](mailto:sandau@oregonfb.org).