

SB 114 STAFF MEASURE SUMMARY

Senate Committee On Workforce

Action Date: 03/05/19

Action: Do pass and rescind subsequent referral to Finance and Revenue and requesting referral to Tax Expenditures.

Vote: 5-0-0-0

Yeas: 5 - Golden, Hansell, Knopp, Monnes Anderson, Taylor

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/19, 3/5

WHAT THE MEASURE DOES:

Extends sunset of existing Agriculture Workforce Housing 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; and if community-based housing, be majority occupied by agricultural workers and meet all relevant certification requirements established by Oregon 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 owner or operator. Requires OHCS to verify certifications are met. Expands definition of subsidized housing for purpose 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 credits certified each year. Tax credit is effective for tax years 2020 to 2026.

ISSUES DISCUSSED:

- Housing conditions for agricultural workers
- Use of AWHTC credits
- Preservation of farm land

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Agriculture Workforce Housing 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, however, are excluded from AWHTC. Senate Bill 114 creates a new tax credit to defray costs necessary to operate farm employment-related housing and housing operated by a nonprofit or housing authority and occupied by a majority of agricultural workers. Senate Bill 114 extends the sunset of the existing 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 currently authorized to provide funding for new rental developments provided they meet certain visitability requirements. Senate Bill 114 allows

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OHCS to provide funding for farm employment-related housing even if it does not meet visitability requirements.