

# Senate Bill 964

Sponsored by Senator WINTERS, Representatives BOLES, EVANS; Representative POST

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Department of Human Services to establish pilot program to encourage innovative strategies to strengthen families and build resilient neighborhoods. Establishes tax credit for qualified contributions to selected community agency for purposes of program. Requires selected community agencies to distribute funds to participating community agencies.

Applies to contributions made and tax years beginning on or after January 1, 2020, and before January 1, 2026.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to a pilot program for community agency tax credits; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

### **SECTION 1. As used in sections 1 to 5 of this 2019 Act:**

4  
5 (1) **"Community agency" means a nonprofit agency that is located in a region, identified**  
6 **under section 3 of this 2019 Act, in which it provides services related to children and families,**  
7 **services related to community development or similar services.**

8 (2) **"Qualified contribution" means a contribution made by a taxpayer to a selected com-**  
9 **munity agency for the purpose of receiving a tax credit under section 7 of this 2019 Act.**

10 (3) **"Selected community agency" means a community agency that is:**

11 (a) **Selected by the Department of Human Services under section 3 of this 2019 Act to**  
12 **perform the duties described in section 5 of this 2019 Act in a particular region; and**

13 (b) **Eligible to receive contributions that qualify as deductions under section 170 of the**  
14 **Internal Revenue Code.**

15 **SECTION 2. The Department of Human Services, in collaboration with an advisory com-**  
16 **mittee established by the department, shall establish a pilot program in up to three regions**  
17 **of this state to:**

18 (1) **Encourage taxpayers to make contributions to selected community agencies by pro-**  
19 **viding a financial return on qualified contributions and by soliciting other contributions.**

20 (2) **Achieve specific and measurable goals for targeted communities and populations.**

21 (3) **Encourage the development of innovative strategies for strengthening families,**  
22 **building resilient neighborhoods, promoting the positive development of children and reduc-**  
23 **ing child foster care placements.**

24 **SECTION 3. (1) For the purpose of implementing the pilot program established under**  
25 **section 2 of this 2019 Act, the Department of Human Services, in collaboration with an ad-**  
26 **visory committee established by the department, shall:**

27 (a) **Identify up to three regions of this state in which to establish the pilot program.**

28 (b) **For each region, identify outcome-based goals that are consistent with the purposes**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 provided in section 2 of this 2019 Act. The goals identified under this paragraph must take  
2 into account the resources and needs of the region.

3 (c) Develop by rule the selected community agency application process, and any process  
4 for the renewal of such selection.

5 (d) Select a community agency to be the selected community agency in each region.

6 (e) Enter into an agreement with each selected community agency to have the selected  
7 community agency perform the duties specified in section 5 of this 2019 Act.

8 (f) Supervise the disbursement of moneys by selected community agencies to community  
9 agencies consistent with the duties specified in section 5 of this 2019 Act.

10 (2) The department may establish by rule any other provisions required to implement the  
11 pilot program established under section 2 of this 2019 Act.

12 **SECTION 4.** (1) In selecting a community agency to be the selected community agency  
13 for a region under section 3 of this 2019 Act, the Department of Human Services shall con-  
14 sider:

15 (a) A prospective agency's financial soundness, net worth, cash flow and accounting ca-  
16 pacity to manage the tax credit program;

17 (b) A prospective agency's demonstrated ability to serve low and moderate income fami-  
18 lies;

19 (c) The turnover rate of members of the governing board of the prospective agency and  
20 the degree to which the board is representative of the region in which the agency is located,  
21 has experience with financial matters and has a demonstrated history of collaboration with  
22 other community agencies;

23 (d) The experience and expertise of the executive or managing officer and staff of the  
24 prospective agency; and

25 (e) The prospective agency's ability to engage and support residents of a region facing  
26 adversity, as evidenced by high rates of chronic absenteeism and child maltreatment, to take  
27 responsibility for the agency's community and to be a safe healthy and nurturing environ-  
28 ment.

29 (2) The department shall select the community agency that, in the judgment of the de-  
30 partment and based on the criteria set forth in subsection (1) of this section, will best serve  
31 the interests of the region for which it is selected.

32 **SECTION 5.** Each selected community agency shall:

33 (1) Encourage taxpayers to make contributions that qualify for the tax credit under  
34 section 7 of this 2019 Act;

35 (2) Provide a means for taxpayers to make qualified contributions to the selected com-  
36 munity agency and acknowledge contributions by sending a receipt to the taxpayer;

37 (3) Send to the Department of Revenue the information required by the department to  
38 certify qualified contributions for the tax credit available under section 7 of this 2019 Act;

39 (4) Disburse moneys to the community agencies located in the region that the selected  
40 community agency represents, pursuant to rules adopted by the Department of Human Ser-  
41 vices;

42 (5) Coordinate an application process by which persons may apply to be a participating  
43 community agency;

44 (6) Enter into an agreement with each participating community agency under which the  
45 duties and responsibilities of the participating community agency and the selected commu-

1 nity agency are stated;

2 (7) Provide or coordinate required training for participating community agencies;

3 (8) Monitor participating community agencies through visits to the agencies and other-  
4 wise;

5 (9) By the end of each calendar year, disburse to participating community agencies all  
6 moneys that are available to the agency from qualified contributions; and

7 (10) Base any disbursements under this section on the actual costs of providing services  
8 in the region for which the disbursements are being made, including training costs, operating  
9 costs and wages.

10 **SECTION 6.** Section 7 of this 2019 Act is added to and made a part of ORS chapter 315.

11 **SECTION 7.** (1) A credit against the taxes otherwise due under ORS chapter 316 is al-  
12 lowed to a taxpayer for qualified contributions made to a selected community agency under  
13 section 5 of this 2019 Act.

14 (2) The credit allowed under this section may not exceed the lesser of 70 percent of the  
15 amount of qualified contributions for the taxpayer for the tax year or the tax liability of the  
16 taxpayer for the tax year in which the credit is claimed.

17 (3) The credit allowed under this section is in addition to, and not in lieu of, any credit  
18 or deduction allowed under this chapter or ORS chapter 316 for charitable contributions.

19 (4) A credit under this section may be claimed by a nonresident or part-year resident.  
20 However, the credit shall be prorated using the proportion provided in ORS 316.117.

21 (5) No credit under this section shall be allowed unless the Department of Revenue has  
22 received evidence of the qualifying contribution made by the taxpayer to a selected commu-  
23 nity agency and has certified the credit. The department shall prescribe by rule the infor-  
24 mation that a selected community agency must submit to the department to allow a tax  
25 credit to be certified under this section.

26 (6) The total credits allowed under this section may not exceed \$700,000 for all qualified  
27 contributions to a selected community agency in any tax year and may not exceed \$2.1  
28 million for all taxpayers in any tax year.

29 (7) As used in this section, “qualified contribution” and “selected community agency”  
30 have the meanings given those terms in section 1 of this 2019 Act.

31 **SECTION 8.** Section 7 of this 2019 Act applies to contributions made and tax years be-  
32 ginning on or after January 1, 2020, and before January 1, 2026.

33 **SECTION 9.** The Department of Human Services shall report on the progress of the pilot  
34 program established under section 2 of this 2019 Act, in the manner provided by ORS 192.245,  
35 to the interim committees of the Legislative Assembly related to human services no later  
36 than September 15, 2022.

37 **SECTION 10.** This 2019 Act takes effect on the 91st day after the date on which the  
38 regular session of the Eightieth Legislative Assembly adjourns sine die.

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