

HB 2137 A STAFF MEASURE SUMMARY
House Committee On Agriculture and Land Use

Action Date: 03/21/19

Action: Do pass with amendments
and be referred to Revenue by prior reference. (Printed A-Eng.)

Vote: 6-0-1-0

Yeas: 6 - Boshart Davis, Helm, McLain, Post, Smith DB, Williams

Exc: 1 - Clem

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/28, 3/21

WHAT THE MEASURE DOES:

Extends the sunset on tax credits for agriculture workforce housing owners and operators from January 1, 2020 to January 1, 2026. Creates a state income tax credit for farm employment-related or community-based housing owners for operational costs, including costs of insurance, property management, repair and maintenance, resident services, and necessary utilities. Specifies that the credit will equal 50 percent of eligible costs incurred during the tax year, reduced by any amount of public or private funding the owner receives to compensate for the payment of those eligible costs. Establishes eligibility requirements for housing to qualify for the credit, including: being in compliance with all occupational safety and health laws and standards; being operated by a person who holds a valid indorsement as a farmworker camp operator if indorsement is required; being registered as a farmworker camp with the Department of Consumer and Business Services if it is farm employment-related housing; and meeting all Housing and Community Services Department (HCSD) certification requirements for agricultural workers if it is community-based housing. Prohibits credit from being claimed for housing that is occupied by temporary H-2A workers admitted to the US under 8 U.S.C. 1188 or for utility payments if the housing owner or operator requires occupants pay for utilities. Requires an owner to obtain a written certification of eligible costs from the HCSD prior to claiming the credit. Establishes provisions related to: cases where total credit amounts exceed taxes owed; nonresidents; tax-exempt entities; and tax credit transfers. Authorizes and requires HCSD to conduct rulemaking. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Background on existing credit for agriculture workforce housing
- Standard sunset tax credit
- Costs of Occupational Safety and Health Administration compliance
- Seasonal housing maintenance requirements

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The Agriculture Workforce Housing Tax Credit 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 total estimated eligible costs for all approved projects for each calendar year is \$7.25 million. The entire credit may be transferred to a contributor of the project.

HB 2137 A STAFF MEASURE SUMMARY

House Bill 2137 A would extend the sunset on tax credits for agriculture workforce housing owners and operators from January 1, 2020 to January 1, 2026, and would create a new state income tax credit for operational and maintenance costs of agriculture workforce housing.