

## HB 2058 -1 STAFF MEASURE SUMMARY

### House Committee On Business and Labor

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**Prepared By:** Erin Seiler, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/1

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#### WHAT THE MEASURE DOES:

Directs Oregon Business Development Department to develop and administer loan program to provide financial assistance to eligible employers to mitigate costs associated with compliance with agricultural overtime compensation requirements. Sunsets program on January 2, 2027. Declares emergency, effective on passage.

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Replaces measures. Directs Oregon Business Development Department (OBDD) to develop and administer a program to provide up to \$40,000 interest-free, repayable awards to agricultural employers to mitigate costs associated with compliance with agricultural overtime compensation requirements as required by HB 4002. To be eligible for repayable award an agricultural employer must anticipate: earning not more than \$3,000,000 in gross income in the current year; having overtime costs in the current year; being eligible and applying for the tax credit establish. Establishes timeline for application and approval process. Requires employer notify and repay award to OBDD, if employer does not apply or are ineligible for tax credit. Award must be repaid within two years. Any and all amounts of an award not fully repaid will be considered liquidated and delinquent and OBDD shall assign such amounts to the Department of Revenue. Establishes conditions for ending the program. Establishes the Agricultural Overtime Award Fund. Appropriates funds to OBDD to administer the program.

##### BACKGROUND:

House Bill 4002, 2022 established maximum hour and overtime wage requirements for Oregon agricultural workers and a refundable tax credit against personal and corporate income taxes to offset a percentage of the additional cost of overtime wages paid by a crop or animal production business. The measure required the Oregon Department of Agriculture (ODA) and Oregon Business Development Department (OBDD) to make recommendations to the 82nd Legislative Assembly regarding the establishment of a grant, loan, or lending program to which \$10 million will be allocated for providing financial assistance to employers to mitigate the costs of compliance with the overtime compensation requirements.

House Bill 2058 directs Oregon Business Development Department (OBDD) to develop and administer a program to provide up to \$40,000 repayable awards to agricultural employers to mitigate costs associated with compliance with agricultural overtime compensation requirements as required by HB 4002. To be eligible for repayable award an agricultural employer must anticipate: earning not more than \$3,000,000 in gross income in the current year; having overtime costs in the current year; being eligible and applying for the tax credit establish.