

HB 2058 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/1, 2/6

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:

- Requirement to establish program under House Bill 4002, 2022
- Cash flow advance for agricultural employers eligible for Agricultural Tax Credit
- Timeline for distribution of awards
- Assistance to small and mid-size agricultural employers

EFFECT OF AMENDMENT:

-1 Replaces measure. 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. To be eligible 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; and being eligible and applying for the tax credit. Establishes timeline for application and approval process. Requires employer notify and repay award to OBDD, if employer does not apply or is not eligible 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 will assign to Department of Revenue. Establishes conditions for ending the program. Establishes Agricultural Overtime Award Fund. Appropriates \$10,150,000 to OBDD to administer and fund 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 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; and being eligible and applying for the tax credit establish.