

**HB 2058 A BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Matt Stayner, Legislative Fiscal Office

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**Oregon Business Development Department  
2021-23**

PRELIMINARY

## **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023 Committee Recommendation	Committee Change	
			\$ Change	% Change
General Fund	\$ 10,000,000	\$ 10,150,000	\$ 150,000	1.5%
Other Funds Limited	\$ -	\$ 10,150,000	\$ 10,150,000	100.0%
Total	\$ 10,000,000	\$ 20,300,000	\$ 10,300,000	101.5%

## **Position Summary**

Authorized Positions	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00

<sup>(1)</sup> Includes adjustments through December 2022

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

House Bill 2058 appropriates \$150,000 General Fund to the Oregon Business Development Department (OBDD) to be deposited into the Agriculture Overtime Award Fund created by the bill. The bill requires OBDD to transfer the \$10.0 million General Fund received from the Emergency Board in September 2022 into the Agriculture Overtime Award Fund. Finally, the bill provides the agency with \$10,150,000 Other Funds expenditure limitation to expend the funds deposited into the Agriculture Overtime Award Fund for the purposes of the Agricultural Overtime program.

## **Summary of Transportation and Economic Development Subcommittee Action**

The bill requires OBDD to administer an award program for certain agricultural employers required to pay overtime wages under House Bill 4002 (2022). The employers must expect to have less than \$3 million in annual gross income, be eligible for the tax credit for agricultural overtime pay allowed under section 8, chapter 115, Oregon Laws 2022, and expect to pay overtime wages during the year to qualify for an award. Approved applicants must repay the award within two years unless the applicant does not apply for or is ineligible for the tax credit, in which case, the award must be repaid within 60 days. Applicants failing to repay the award will be found in default and the case will be assigned to the Department of Revenue (DOR) for collection of debt.

The bill provides a General Fund appropriation that is conditional and defined as the lesser of \$10,150,000 or that amount minus monies allocated to the agency by the Emergency Board for the program. The Emergency Board allocated \$10 million General Fund to the agency for the program at the September 2022 meeting of the Board. The net result, as affected by the bill, will be a \$150,000 General Fund

appropriation. The bill requires both the General Fund allocated by the Emergency Board and the additional \$150,000 General Fund appropriation to be deposited into the Agricultural Overtime Award Fund established by the bill. Once deposited in the Agricultural Overtime Award Fund, the monies in the fund will be expended as Other Funds from that specific account. OBDD is authorized to use \$150,000 plus an amount withheld from each award, but not to exceed 1.5 percent of the award, for administering the program. The total of these two provisions would allow the agency to access a maximum of \$300,000 of the amount appropriated for the program's administration.

PRELIMINARY

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Business Development Department  
 Tamara Brickman – (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b><u>2021-23 SUPPLEMENTAL BUDGET</u></b>									
<b>SCR 210 - Business, Innovation, Trade</b>									
Personal Services - 3160 Temporary Appointments	\$ -	\$ -	\$ 266,000	\$ -	\$ -	\$ -	\$ 266,000		
Services and Supplies - 4325 Attorney General	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000		
Services and Supplies - 4575 Agency Program Related S & S	\$ -	\$ -	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000		
Special Payments - 6060 Intra-Agency Gen Fund Transfer	\$ 10,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,150,000		
Special Payments - 6030 Dist to Non-Gov Units	\$ (10,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,000,000)		
Special Payments - 6035 Dist to Individuals	\$ -	\$ -	\$ 9,850,000	\$ -	\$ -	\$ -	\$ 9,850,000		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 10,150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,300,000</b>		
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 10,150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,300,000</b>		

PRELIMINARY