

HB 2058 A STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 02/06/23

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

Vote: 9-1-1-0

Yeas: 9 - Boshart Davis, Elmer, Holvey, Hudson, Nelson, Nosse, Osborne, Owens, Sosa

Nays: 1 - Scharf

Exc: 1 - Grayber

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/1, 2/6

WHAT THE MEASURE DOES:

Directs Oregon Business Development Department (OBDD) to develop and administer 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. Eligible agricultural employer must anticipate: earning not more than \$3,000,000 in gross income in current year; having overtime costs in current year; and being eligible and applying for tax credit. Establishes timeline for application and award 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 award not fully repaid will be considered liquidated and delinquent and OBDD will assign to Oregon Department of Revenue. Establishes Agricultural Overtime Award Fund. Appropriates \$10,150,000 to OBDD to administer and fund program.

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
- Economic impact of agricultural overtime
- Ability of agricultural employer to access financial resources

EFFECT OF AMENDMENT:

Replaces the measure.

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 A 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

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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.