

**75TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2904 A  
CARRIER: Rep. Kotek**

**REVENUE: Revenue Impact Issued**

**FISCAL: Fiscal Impact Issued**

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**Action:** Do Pass as Amended and be Printed A-Engrossed

**Vote:** 10-0-0

**Yeas:** Bailey, Bentz, Berger, Bruun, Gelser, Kahl, Read, Riley, Sprenger, Barnhart

**Nays:** 0

**Exc.:** 0

**Prepared By:** Dae Baek, Economist

**Meeting Dates:** 5/18, 6/2

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**WHAT THE BILL DOES:** Expands the definition of farm use for the purpose of special assessment in property taxation to include the implementation of a plan to remediate severe adverse conditions on a farm parcel. Places restrictions on qualifying for a farm use special assessment in relation to a remediation plan. Lists conditions under which a disqualification occurs. Directs the Director of the Oregon State University Extension Service to adopt rules for certification of a remediation plan. Prohibits application of farm income requirements for the purpose of special assessment in property taxation during the period in which such plan is implemented. Exempts from property taxation the machinery and equipment primarily used to implement such plan. Allows a retroactive application for a remediation plan. Allows a farm use special assessment for a remediation plan for tax years beginning on or after July 1, 2007. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- History of Fazio Farms' fungus problem
- Amendment recommendation by Multnomah County
- Administrative issues on the part of Department of Revenue
- Restrictions on qualifying for farm use special assessment when adverse conditions are caused intentionally or through neglect

**EFFECT OF COMMITTEE AMENDMENTS:** Replaces the original bill with the content described above.

**BACKGROUND:** If land is not in an Exclusive Farm Use (EFU) zone but is used as farmland, it may receive the same assessment given to all qualifying EFU farmland if certain requirements are met. First of all, the land must be currently used, and have been used, for the two previous years exclusively for farm use as defined in ORS 308A.056. At the same time, the land must meet the income requirement stipulated in ORS 308A.071 in three of the five previous years. (Source: Oregon Department of Revenue)

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