

75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: HB 2904 B
CARRIER: Sen. Morse

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass as Amended and be Printed B-Engrossed

Vote: 5-0-0

Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 6/16, 6/18

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 Department of Revenue 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. Specifies that certain farm structures are exempt from property taxation. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Fungus problem on a farm parcel for cucumber production
- Hoop houses and greenhouses for agricultural and horticultural production
- Clarification of farm structures described in the bill

EFFECT OF COMMITTEE AMENDMENTS: Specifies that certain farm structures are exempt from property taxation.

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)

The statewide estimate of total property tax related to newly exempt farm structures as described in the bill is currently about \$1 million a year.

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