

# Senate Bill 831

Sponsored by Senator GEORGE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Disqualifies land owned by winery that receives more than 500 visitors annually from farm use special assessment.

Exempts land owned by winery from additional taxes upon disqualification.

Applies to tax years beginning on or after July 1, 2009.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to property taxation; creating new provisions; amending ORS 308A.113, 308A.116 and  
3 308A.709; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 308A.113 is amended to read:

6 308A.113. (1) Land within an exclusive farm use zone shall be disqualified from special assess-  
7 ment under ORS 308A.062 by:

8 (a) Removal of the special assessment by the assessor upon the discovery that the land is no  
9 longer being used as farmland;

10 (b) Removal of the land from any exclusive farm use zone; *[or]*

11 (c) Establishing a nonfarm dwelling on the land under ORS 215.236; **or**

12 **(d) In the case of land owned by a winery, the winery having received more than 500**  
13 **visitors during the previous tax year.**

14 (2) Notwithstanding subsection (1)(a) of this section, the county assessor shall not disqualify land  
15 that has been receiving special assessment if the land is not being farmed because:

16 (a) The effect of flooding substantially precludes normal and reasonable farming during the year;  
17 or

18 (b) Severe drought conditions are declared under ORS 536.700 to 536.780.

19 (3)(a) Notwithstanding ORS 308.210, 308A.062, 311.405 or 311.410, if disqualification occurs as a  
20 result of the discovery that the land is no longer in farm use, then, regardless of when during the  
21 assessment year discovery is actually made, disqualification by the county assessor shall occur as  
22 of the January 1 assessment date of the assessment year in which discovery is made.

23 (b) Paragraph (a) of this subsection shall apply only if the notice of disqualification required  
24 under ORS 308A.718 is mailed by the county assessor prior to August 15 of the tax year for which  
25 the disqualification of the land is asserted.

26 (4)(a) Upon disqualification **under subsection (1)(a) to (c) of this section**, additional taxes  
27 shall be determined as provided in ORS 308A.700 to 308A.733.

28 **(b) Upon disqualification under subsection (1)(d) of this section, additional taxes may not**  
29 **be determined under ORS 308A.700 to 308A.733.**

30 **SECTION 2.** ORS 308A.116 is amended to read:

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1 308A.116. (1) Nonexclusive farm use zone farmland qualified for special assessment under ORS  
2 308A.068 shall be disqualified from such special assessment upon:

3 (a) Notification by the taxpayer to the assessor to remove the special assessment;

4 (b) Sale or transfer to an ownership making it exempt from ad valorem property taxation;

5 (c) Removal of the special assessment by the assessor upon the discovery that the land is no  
6 longer in farm use for failure to meet the income requirements under ORS 308A.071 or is no longer  
7 in farm use; [or]

8 (d) The act of recording a subdivision plat under the provisions of ORS chapter 92; or

9 **(e) In the case of land owned by a winery, the winery having received more than 500**  
10 **visitors during the previous tax year.**

11 (2) The county assessor shall not disqualify the land that has been receiving special assessment  
12 upon the sale or transfer to a new owner or transfer by reason of death of a former owner to a new  
13 owner if the land continues to be used solely for farm use.

14 (3) When, for any reason, the land or any portion thereof ceases to be used solely for farm use,  
15 the owner at the time of the change in use shall notify the assessor of the change prior to the next  
16 January 1 assessment date.

17 (4) If under subsection (1)(d) of this section, the county assessor disqualifies land for special  
18 assessment upon the act of platting the land, the land, or a part of the land, may be requalified for  
19 special assessment upon:

20 (a) Payment of all additional tax, interest or penalty that remains due and owing on the land;

21 (b) Submission by the owner of an application for special assessment under ORS 308A.077;

22 (c) Meeting all of the qualifications for farm use special assessment under ORS 308A.068; and

23 (d) Meeting the requirements, if any, of applicable local government zoning ordinances with re-  
24 gard to minimum lot or parcel acreage for farm use.

25 (5) The county assessor shall not disqualify land that has been receiving special assessment if  
26 the land is not being farmed because:

27 (a) The effect of flooding substantially precludes normal and reasonable farming during the year;  
28 or

29 (b) Severe drought conditions are declared under ORS 536.700 to 536.780.

30 (6)(a) Notwithstanding ORS 308.210, 308A.068, 311.405 or 311.410, if disqualification occurs as a  
31 result of the discovery that the land is no longer in farm use, then, regardless of when during the  
32 assessment year discovery is actually made, disqualification by the county assessor shall occur as  
33 of the January 1 assessment date of the assessment year in which discovery is made.

34 (b) Paragraph (a) of this subsection shall apply only if the notice of disqualification required  
35 under ORS 308A.718 is mailed by the county assessor prior to August 15 of the tax year for which  
36 the disqualification of the land is asserted.

37 (7)(a) Upon disqualification **under subsection (1)(a) to (d) of this section**, additional taxes  
38 shall be determined as provided in ORS 308A.700 to 308A.733.

39 **(b) Upon disqualification under subsection (1)(e) of this section, additional taxes may not**  
40 **be determined under ORS 308A.700 to 308A.733.**

41 **SECTION 3.** ORS 308A.709 is amended to read:

42 308A.709. Notwithstanding that land may have been disqualified from special assessment, no  
43 additional taxes may be imposed under ORS 308A.703 if, as of the date the disqualification is taken  
44 into account on the assessment and tax roll, the land is any of the following:

45 (1) Acquired by a governmental agency as a result of the lawful exercise of the power of eminent

1 domain or the threat or imminence thereof.

2 (2) Acquired by purchase, agreement or donation under ORS 390.121 (relating to State Parks and  
3 Recreation Commission acquisitions).

4 (3) Acquired by a city, county, metropolitan service district created under ORS chapter 268 or  
5 park and recreation district organized under ORS chapter 266 for public recreational purposes or  
6 for the preservation of scenic or historic places.

7 (4) Acquired for wildlife management purposes under ORS 496.146.

8 (5) Public property that was leased or rented to a taxable owner as described in ORS 307.110  
9 at the time of disqualification, and the reason for the disqualification was the termination of the  
10 lease under which the land was assessed.

11 (6) Land that ceases to be located within the boundaries of an exclusive farm use zone as the  
12 result of a change in the boundaries of the zone or removal of the zone following an action by the  
13 governing body of the county or city that:

14 (a) Was not requested or initiated by the owner of the land; or

15 (b) Was requested by:

16 (A) The State Parks and Recreation Department for public park purposes under ORS 390.121;

17 or

18 (B) The State Fish and Wildlife Commission for wildlife management purposes under ORS  
19 496.146.

20 (7) Forestland acquired by a federal, state or local governmental agency. In the case of an ac-  
21 quisition described in this subsection, a lien for additional taxes and interest may not attach on the  
22 day preceding the day of transfer of the forestland to the governmental agency.

23 **(8) Owned by a winery and subject to disqualification under ORS 308A.113 (1)(d) or**  
24 **308A.116 (1)(e).**

25 **SECTION 4. The amendments to ORS 308A.113, 308A.116 and 308A.709 by sections 1 to 3**  
26 **of this 2009 Act apply to tax years beginning on or after July 1, 2009.**

27 **SECTION 5. This 2009 Act takes effect on the 91st day after the date on which the reg-**  
28 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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