

# Senate Bill 477

Sponsored by Senator GEORGE (Presession filed.)

## 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**.

Provides that all land within exclusive farm use zone qualifies for farm use special assessment. Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to farm use special assessment; creating new provisions; amending ORS 308A.062, 308A.091,  
3 308A.113 and 308A.703; and prescribing an effective date.

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

5 **SECTION 1.** ORS 308A.062 is amended to read:

6 308A.062. (1) [*Any land that is*] **Land** within an exclusive farm use zone [*and that is used exclu-*  
7 *sively for farm use shall qualify*] **qualifies** for farm use special assessment under ORS 308A.050 to  
8 308A.128[,] unless disqualified under other provisions of law.

9 (2)(a) [*Whether*] **Qualification of farmland** [*qualifies*] for special assessment under this section  
10 [*shall be*] **is** determined as of January 1 of the assessment year.

11 (b) [*However,*] **Notwithstanding paragraph (a) of this subsection**, if land [*so*] qualified **under**  
12 **subsection (1) of this section** becomes disqualified [*prior to*] **before** July 1 of the same assessment  
13 year, the land [*shall be*] **is** valued under ORS 308.232[,] at its real market value as defined by law  
14 without regard to this section[, *and shall be*] **and** assessed at its assessed value under ORS 308.146  
15 or as otherwise provided by law.

16 (c) If the land becomes disqualified on or after July 1 **of the same assessment year**, the land  
17 [*shall continue*] **continues** to qualify for special assessment [*as provided in this section*] **under sub-**  
18 **section (1) of this section** for the current tax year.

19 **SECTION 2.** ORS 308A.091 is amended to read:

20 308A.091. (1) The Director of the Department of Revenue shall adopt rules necessary for ad-  
21 ministration of farm use special assessment pursuant to a remediation plan under ORS 308A.056.

22 (2) The Director of the Oregon State University Extension Service may establish by rule a fee,  
23 payable by persons seeking to implement remediation plans, in an amount necessary to reimburse  
24 the Oregon State University Extension Service for the costs of certifying the plans.

25 (3) Only the portions of farmland on which the remediation plan is actually implemented qualify  
26 for farm use special assessment under ORS [*308A.062 and*] 308A.068 pursuant to a remediation plan  
27 under ORS 308A.056.

28 **SECTION 3.** ORS 308A.113 is amended to read:

29 308A.113. (1) Land within an exclusive farm use zone [*shall be*] **is** disqualified from special as-  
30 sessment under ORS 308A.062 by[:]

31 [*(a) Removal of the special assessment by the assessor upon the discovery that the land is no longer*

**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 *being used as farmland;]*

2 *[(b)] removal of the land from any exclusive farm use zone[; or].*

3 *[(c) Establishing a nonfarm dwelling on the land under ORS 215.236.]*

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

6 *[(a) The effect of flooding substantially precludes normal and reasonable farming during the year;*  
7 *or]*

8 *[(b) Severe drought conditions are declared under ORS 536.700 to 536.780.]*

9 *[(3)(a) Disqualification under subsection (1)(a) of this section is reversed if the taxpayer:]*

10 *[(A) Notifies the assessor in writing pursuant to ORS 308A.718 of the taxpayer's intention to seek*  
11 *certification for a remediation plan; and]*

12 *[(B) Presents a certified remediation plan to the assessor within one year after the date of dis-*  
13 *qualification.]*

14 *[(b) In addition to the grounds for disqualification under subsection (1)(a) of this section, the*  
15 *assessor may disqualify land granted farm use special assessment pursuant to a remediation plan*  
16 *upon:]*

17 *[(A) Discovery, or notice from an extension agent of the Oregon State University Extension Service,*  
18 *that the plan is not being implemented substantially as certified; or]*

19 *[(B) Discovery, or notice from the owner, tenant or lessee or from an extension agent of the Oregon*  
20 *State University Extension Service, that the plan as certified is no longer necessary, practicable or ef-*  
21 *fective.]*

22 *[(4)(a) Notwithstanding ORS 308.210, 308A.062, 311.405 or 311.410, if disqualification occurs as a*  
23 *result of the discovery that the land is no longer in farm use, then, regardless of when during the as-*  
24 *essment year discovery is actually made, disqualification by the county assessor shall occur as of the*  
25 *January 1 assessment date of the assessment year in which discovery is made.]*

26 *[(b) Paragraph (a) of this subsection shall apply only if the notice of disqualification required un-*  
27 *der ORS 308A.718 is mailed by the county assessor prior to August 15 of the tax year for which the*  
28 *disqualification of the land is asserted.]*

29 *[(5)] (2) Upon disqualification, additional taxes shall be determined as provided in ORS 308A.700*  
30 *to 308A.733.*

31 **SECTION 4.** ORS 308A.703 is amended to read:

32 308A.703. (1) This section applies to land upon the land's disqualification from special assess-  
33 ment under any of the following sections:

34 (a) Exclusive farm use zone farmland under ORS 308A.113;

35 (b) Nonexclusive farm use zone farmland under ORS 308A.116;

36 (c) Western Oregon designated forestland under ORS 321.359;

37 (d) Eastern Oregon designated forestland under ORS 321.842;

38 (e) Wildlife habitat special assessment under ORS 308A.430; or

39 (f) Conservation easement special assessment under ORS 308A.465.

40 (2) Following a disqualification listed in subsection (1) of this section, an additional tax shall  
41 be added to the tax extended against the land on the next assessment and tax roll, to be collected  
42 and distributed in the same manner as other ad valorem property tax moneys. The additional tax  
43 shall be equal to the difference between the taxes assessed against the land and the taxes that would  
44 otherwise have been assessed against the land, for each of the number of years determined under  
45 subsection (3) of this section.

1 (3) The number of years for which additional taxes shall be calculated shall equal the lesser of  
 2 the number of consecutive years the land had qualified for the special assessment program for which  
 3 disqualification has occurred or:

4 (a) Ten years, in the case of exclusive farm use zone farmland, but only if the land, immediately  
 5 following disqualification, remains outside an urban growth boundary;

6 (b) Ten years, in the case of wildlife habitat special assessment land within an exclusive farm  
 7 use zone, but only if the land, immediately following disqualification, remains outside an urban  
 8 growth boundary;

9 (c) Ten years, in the case of conservation easement special assessment land within an exclusive  
 10 farm use zone, but only if the land, immediately following disqualification, remains outside an urban  
 11 growth boundary; or

12 (d) Five years, in the case of:

13 (A) Nonexclusive farm use zone farmland;

14 (B) Western Oregon designated forestland;

15 (C) Eastern Oregon designated forestland;

16 (D) Exclusive farm use zone farmland that is not described in paragraph (a) of this subsection;

17 (E) Wildlife habitat special assessment land that is not described in paragraph (b) of this sub-  
 18 section; or

19 (F) Conservation easement special assessment land that is not described in paragraph (c) of this  
 20 subsection.

21 (4)(a) Except as provided in paragraph (b) of this subsection, if disqualification under subsection  
 22 [(1)(a) or (b)] (1)(b) of this section occurs within five years after the end of a period of farm use  
 23 special assessment pursuant to a remediation plan as defined in ORS 308A.053, the number of years  
 24 for which the additional tax shall be calculated shall be the number of years determined under  
 25 subsection (3) of this section plus the number of years during which farm use special assessment  
 26 was granted pursuant to the remediation plan.

27 (b) Additional tax may not be collected for the number of years during which farm use special  
 28 assessment was granted pursuant to the remediation plan if the plan:

29 (A) Is implemented in good faith; and

30 (B) Fails to render continued farm use practicable.

31 (5) The additional taxes described in this section shall be deemed assessed and imposed in the  
 32 year to which the additional taxes relate.

33 (6) If the disqualification of the land is the result of the sale or transfer of the land to an own-  
 34 ership making the land exempt from ad valorem property taxation, the lien for additional taxes shall  
 35 attach as of the day preceding the sale or transfer.

36 (7) The amount determined to be due under this section may be paid to the tax collector prior  
 37 to the time of the next general property tax roll, pursuant to the provisions of ORS 311.370.

38 **SECTION 5. The amendments to ORS 308A.062, 308A.091, 308A.113 and 308A.703 by**  
 39 **sections 1 to 4 of this 2011 Act apply to property tax years beginning on or after July 1, 2011.**

40 **SECTION 6. This 2011 Act takes effect on the 91st day after the date on which the 2011**  
 41 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**