

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do Pass and Be Referred to the Committee on Revenue by prior reference

Vote: 7 - 0 - 0

Yeas: Cameron, Davis, Frederick, Holvey, Thatcher, Unger, Clem

Nays: 0

Exc.: 0

Prepared By: Lynn Beaton, Administrator

Meeting Dates: 2/21, 3/12

WHAT THE MEASURE DOES: Adds donation of farm products to local food bank or school to definition of “farm use.” Applies to donation to local food bank or school to property tax years beginning on or after July 1, 2013. Takes effect on 91st day following sine die.

ISSUES DISCUSSED:

- Farming regulations require that land be farmed for profit to retain tax exemption
- Example of farmer who lost tax exemption for giving away pumpkins at pumpkin patch event
- Public policy benefit of encouraging farmers to grow crops for food banks
- Possible “unintended consequences” of changing law
- If bill will cover all beneficial circumstances

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon law allows a tax exemption for farm land that is used for raising or selling crops or livestock for profit. House Bill 2788 would allow farm land that is used to produce goods that are donated to a food bank or a school to maintain a tax exemption, even though the farm products are not being sold for profit.