



HB 2723A - Urban Agriculture Incentive Zones

Good for farmers and local communities

Urban Agriculture is Growing!

Urban agriculture is gaining in importance as more and more entrepreneurs are raising vegetables, fruit, and livestock for extra income and profit on undeveloped property within city limits. These urban farm plots provide greater food security, income to urban farmers, green spaces that benefit communities, and opportunities for urban residents to learn how food is produced.

But unimproved urban land carries a high tax burden and may otherwise remain vacant until development occurs. HB 2723 A would assist urban farmers and local communities by temporarily reducing property taxes for landowners who allow, or engage in, urban agriculture on undeveloped land within urban areas.



Urban Agriculture Incentive Zones

Under HB 2723 A counties and cities could create Urban Agriculture Incentive Zones to provide tax benefits for urban agriculture.

- ◆ Landowners in an Urban Agriculture Incentive Zone would contract with the county or city to keep their unimproved land in agricultural use for a minimum of five years.
- ◆ In exchange, the land being farmed would be subject to a special assessment in the same way that farmland is assessed for ORS 308A.107. This means significantly reduced taxes.
- ◆ The bill has checks and balances to ensure that if land is not actually being used for urban agriculture, it will be disqualified from the special assessment.

No Impact on Land Use Program

Under HB 2723 A, Urban Agriculture Incentive Zones would be established for tax assessment purposes only, and will not affect buildable land inventories or change urban growth boundaries. However, local communities can consider the impact that urban agriculture may have on future development.

Senate Amendments Under Discussion

- Capping total farm size at approximately 5 acres to ensure goal of supporting smaller-scale urban agriculture is met
- Establishing a set period for cities/counties to establish these tax incentive zones to allow for review of the program
- Ensuring no conflicts in provisions related to buildable land inventories

Support for HB 2723 A

“Urban farming provides green space, often in lower-income neighborhoods. Urban farming can be an oasis in a food desert, providing affordable, fresh produce in neighborhoods without access to healthy foods. Urban farming provides an opportunity for urban residents, especially children, to learn about agriculture and how food is produced. Urban farming is also an incredible training ground for beginning farmers who often do not have access to land.”
Bryan Allan, Zenger Farm, Portland

“If HB 2723 becomes law, my landlords would certainly take advantage of the reduction in taxes and pass those savings on to us with a reduced lease rate. Our farm would become more profitable and having the security a 5-year lease would help us hone our markets and plan for a land transition in the future if necessary.”
Ryan Miller, Rockwood Urban Farm, Portland

“Growers who plant intensively can produce thousands of dollars worth of fresh produce on a fraction of an acre. Small urban parcels like this can be the start of a viable farming business. HB 2723 could create a foothold for many Oregonians who have the farming gene but need access to land.”
Rebecca Landis, Market Director, Corvallis-Albany Farmers Markets