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June 9, 2015

Representative Mark Hass, Chair
Committee Members
Senate Committee on Finance and revenue
State Capitol
900 Court St. NE
Salem Oregon 97301

Re: HB 2723B

Dear Chair Hass and Committee Members:

1000 Friends of Oregon is a 40-year old, non-profit, statewide organization. We advocate for livable urban and rural communities, protecting family farms and forests, and conserving natural areas, largely through the implementation and improvement of Oregon's land use planning program.

HB 2723B, as passed by the Senate Committee on Environment and Natural Resources, differs in several ways from the version that passed the House. 1000 Friends has concerns about one way in which HB 2723 was changed. The version passed by the Senate Environment Committee deletes language that was included HB 2723 by the House Committee on Rural Communities, Land Use and Water and passed by the full House. That language made it clear that the designation of an urban agricultural zone would not have an impact on a city's buildable lands inventory. The deleted language was part of Section 1(6) of the bill (and if included in HB 2723B would be on p. 3, line 31, following the existing language in (6)). The deleted language explained:

"The designation of an urban agriculture incentive zone under this section is solely for purposes of the special assessment granted under this section and, except as provided in ORS 197.296 (4), has no effect on buildable land inventories or the urban growth boundary of the city or county that designates the zone."

HB 2723 authorizes cities and counties to designate urban agricultural incentive zones inside urban growth boundaries (UGBs), and allows parcels under 5 acres in such a zone to receive a farm tax assessment, provided the landowner agrees to restrict the use of the land to small-scale agricultural production for five consecutive years.

Current law already provides a different method that allows land inside UGBs to receive farm tax assessment, as long as it meets certain agricultural production standards for a minimum period of years. Because UGBs are for a 20-year time period, farmland inside UGBs that is not yet ready for urbanization is often actively farmed until developed, yet it is still included in a city's buildable land inventory because it is available for future urbanization.

HB 2723 would essentially allow the same farm tax assessment inside UGBs under less rigorous criteria than existing law, provided the landowner and local government have entered into an agreement that memorializes the landowner's intent to restrict the property to farm use for 5 years. The quoted language was added in the House to ensure that what is likely implied is understood – that even if land is in an “urban agricultural incentive zone,” it is to be counted as “buildable” because it is inside a UGB and will be available for urbanization over the 20-year UGB time span. The omission of this language by the Senate Environment Committee might lead to unnecessary confusion.

We urge the Committee to clarify that the designation of an urban agriculture incentive zone has no effect on buildable land inventories or the urban growth boundary of the city or county that designates the zone. Thank you for consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Mary Kyle McCurdy". The signature is written in a cursive style with a large, stylized initial "M".

Mary Kyle McCurdy
Policy Director and Staff Attorney