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## **Testimony in Support of HB 2723 B Senate Committee on Finance and Revenue**

Chair Hass, Members of the Committee:

Thank you for the opportunity to testify in support of HB 2723B today. This bill allows cities and counties to establish ‘urban agriculture incentive zones’ designed to improve opportunities for profitable agricultural activities within urban areas.

Urban agriculture is gaining in importance as more and more entrepreneurs are raising vegetables, fruit and livestock on undeveloped property within city limits and other urban zones. These urban farms provide opportunities to alleviate food insecurity in areas without easy access to fresh farm products, provide green spaces that improve quality of life in communities, create income opportunities for urban farmers, and help urban residents better understand how food is produced.

However, undeveloped urban land carries a high tax burden, which provides an obstacle to success for urban farmers. HB 2723B would assist urban agriculture by allowing local communities to create ‘urban agriculture incentive zones’ where landowners would receive property tax reductions if agreeing to allow urban agriculture to take place on their property for a minimum of five years.

Under HB 2723B, landowners in locally designated ‘urban agriculture incentive zones’ would enter into a contract with a county or city, agreeing to keep their unimproved land in agricultural use for a minimum of five years. This provides certainty for all parties involved, the urban farmer leasing the land, the landowner, and the local government. This minimum five-year commitment makes these zones different from existing farm tax deferral programs that some non-EFU lands can qualify for.

During the five-year commitment, significant reduction in property taxes would be realized. We have talked with a number of urban farmers who report exceedingly high land leasing costs within urban areas, but also report that their landlords would be likely to reduce lease costs significantly if they were able to secure the property tax reductions available through HB 2723B. These farmers also report that the ability to secure a five-year commitment for land is also important as a means to help develop, maintain and grow their businesses, and make longer-term plans for growth.

Additionally, HB 2723B has checks and balances to ensure that if land is not actually being used for agriculture during the five-year period, it would be disqualified from special property tax assessments. Lastly, the intent of the ‘urban agriculture incentive zones’ allowed under HB 2723B is for tax purposes only, and they are not intended to impact long-term buildable land inventories or change urban growth boundaries. We believe this is made clear in Section 1(6). We do not want to see urban agriculture push urban development into rural areas more quickly than already planned.