

SENATE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2723

By COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

June 5

1 On page 1 of the printed A-engrossed bill, line 2, after the first semicolon delete the rest of the
2 line.

3 In line 3, delete "308A.718;".

4 Delete lines 5 through 22 and delete pages 2 through 8 and insert:

5 **"SECTION 1. (1)(a) As used in this section, 'agricultural production' means the employ-**
6 **ment of land for farm use as defined in ORS 308A.056. 'Agricultural production' does not**
7 **mean growing, harvesting or processing marijuana.**

8 **"(b) A city or county that designates an urban agriculture incentive zone under this**
9 **section may further define 'agricultural production' and define 'small-scale' for the purposes**
10 **of this section by ordinance, resolution or rule.**

11 **"(2)(a) A city may designate any urbanized area of the city as an urban agriculture in-**
12 **centive zone.**

13 **"(b) A county may designate any urbanized area of the county that is not within the**
14 **corporate boundaries of any city as an urban agriculture incentive zone.**

15 **"(3)(a) A city or county may enter into an agreement with an owner of unimproved land**
16 **within an urban agriculture incentive zone pursuant to which the owner agrees to restrict**
17 **the use of the unimproved land to small-scale agricultural production for five consecutive**
18 **years.**

19 **"(b) During each of the five years of the agreement, the unimproved land shall be subject**
20 **to special assessment in the same manner as farmland is valued under ORS 308A.107, pro-**
21 **vided the gross income requirements specified under ORS 308A.071 (2)(a)(A) to (C) are met**
22 **for the year.**

23 **"(c) The area of unimproved land subject to special assessment may not be smaller than**
24 **5,000 square feet or larger than five acres, cumulatively per landowner. The area may be**
25 **smaller than the tax lot of which the area is a part and shall be limited to the area actually**
26 **used for small-scale agricultural production.**

27 **"(d) Land may be considered unimproved notwithstanding the presence on the land of**
28 **agriculture-related improvements, including, but not limited to, greenhouses and hoop**
29 **houses.**

30 **"(e)(A) A city or county may enter into subsequent five-year agreements with an owner**
31 **of unimproved land granted special assessment under this section that begin after the fifth**
32 **year of any prior agreement entered into under this section.**

33 **"(B) If unimproved land that has been granted special assessment under this section by**
34 **a county is subsequently annexed into a city, the county and the owner of the unimproved**
35 **land may not enter into subsequent agreements under this subsection. The city and the**

1 owner of the unimproved land may enter into an agreement under this subsection if the land
2 is within an urban agriculture incentive zone designated by the city.

3 “(f) The transfer of title to unimproved land granted special assessment under this sec-
4 tion does not affect the special assessment provided the requirements of this section are
5 met under the new ownership.

6 “(4)(a) An owner of unimproved land seeking to have the land granted special assessment
7 under this section must file an application with the county assessor on or before April 1
8 preceding the first property tax year for which the special assessment is sought.

9 “(b) The application must be made on forms prepared by the Department of Revenue and
10 supplied by the county assessor and must include:

11 “(A) A copy of the agreement entered into under subsection (3) of this section;

12 “(B) A true copy of the deed, contract of sale, power of attorney or other appropriate
13 instrument evidencing the applicant’s ownership of the land or authority to file the applica-
14 tion on behalf of the owner;

15 “(C) Any information necessary to determine that the owner and the unimproved land
16 qualify for the special assessment; and

17 “(D) The affidavit or affirmation of the applicant that the statements contained in the
18 application are true.

19 “(c) If the application does not meet all requirements under this section, the county
20 assessor shall reject the application and notify the owner of the rejection. Rejection of an
21 application under this paragraph is not reviewable, but an owner may submit an application
22 for the unimproved land for any subsequent property tax year.

23 “(d) If the application meets all requirements under this section, the county assessor
24 shall approve the application and notify the owner of the approval and the land shall be
25 subject to special assessment under this section for each of the next following five property
26 tax years.

27 “(e) The county assessor shall enter on the assessment and tax roll for the land the no-
28 tation ‘potential additional tax liability.’

29 “(5)(a) Unimproved land subject to special assessment under this section shall be dis-
30 qualified from special assessment if the county assessor discovers that, during the term of
31 an agreement entered into under subsection (3) of this section:

32 “(A) For any assessment year, the gross income requirements specified under ORS
33 308A.071 (2)(a)(A) to (C) were not met; or

34 “(B) The unimproved land is no longer used for agricultural production.

35 “(b)(A) Within 30 days after the date that the unimproved land is disqualified from special
36 assessment, the county assessor shall notify the owner in writing of the disqualification and
37 shall state the reason for the disqualification.

38 “(B) Following receipt of the notification, the owner may appeal the disqualification to
39 the Oregon Tax Court within the time and in the manner provided in ORS 305.404 to 305.560.

40 “(c) Disqualification under this subsection becomes effective on the January 1 assess-
41 ment date of the assessment year in which the discovery is made if the notice of disquali-
42 fication required under paragraph (b) of this subsection is mailed by the county assessor
43 before August 15 of the property tax year for which the disqualification is asserted.

44 “(d) Following disqualification, an additional tax shall be added to the tax extended
45 against the land on the next assessment and tax roll, to be collected and distributed in the

1 same manner as other ad valorem property taxes. The additional tax shall be equal to the
2 difference between the taxes assessed against the land and the taxes that would otherwise
3 have been assessed against the land for each of the property tax years for which the land
4 was subject to special assessment under this section before the disqualification.

5 “(e) Additional taxes imposed under paragraph (d) of this subsection shall be deemed as-
6 sessed and imposed in the year to which the additional taxes relate.

7 “(f) The amount determined to be due under this subsection may be paid to the tax col-
8 lector prior to the time of the next assessment and tax roll, pursuant to the provisions of
9 ORS 311.370.

10 “(g) For purposes of this subsection, unimproved land is not disqualified from special
11 assessment and may not be assessed additional taxes solely because the land is not used for
12 agricultural production outside the effective periods of agreements entered into under sub-
13 section (3) of this section.

14 “(6) The designation of an urban agriculture incentive zone under this section is solely
15 for purposes of the special assessment granted under this section.

16 “(7) The Department of Revenue may adopt rules necessary for administration of the
17 urban agriculture incentive zone special assessment under this section.

18 “SECTION 2. Section 1 of this 2015 Act applies to property tax years beginning on or af-
19 ter July 1, 2016.

20 “SECTION 3. (1) A city or county may not designate an urban agriculture incentive zone
21 under section 1 of this 2015 Act on or after January 1, 2019.

22 “(2) Unimproved land may not be specially assessed under section 1 of this 2015 Act for
23 property tax years beginning on or after July 1, 2023.

24 “SECTION 4. This 2015 Act takes effect on the 91st day after the date on which the 2015
25 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.”.