

**PROPOSED AMENDMENTS TO
HOUSE BILL 2723**

1 On page 1 of the printed bill, delete lines 5 through 20 and insert:

2 **“SECTION 1. (1)(a) As used in this section, ‘agricultural**
3 **production’ means the employment of land for farm use as defined in**
4 **ORS 308A.056.**

5 **“(b) A city or county that designates an urban agriculture incentive**
6 **zone under this section may further define ‘agricultural production’**
7 **and define ‘small-scale’ for the purposes of this section by ordinance,**
8 **resolution or rule.**

9 **“(2) A city or county may designate any urbanized area of the city**
10 **or county as an urban agriculture incentive zone.**

11 **“(3)(a) A city or county may enter into an agreement with an owner**
12 **of unimproved land within an urban agriculture incentive zone pur-**
13 **suant to which the owner agrees to restrict the use of the unimproved**
14 **land to small-scale urban agricultural production for five consecutive**
15 **years.**

16 **“(b) During the five years of the agreement, the unimproved land**
17 **shall be subject to special assessment in the same manner as farmland**
18 **is assessed under ORS 308A.107.**

19 **“(c) The area of unimproved land subject to special assessment may**
20 **be smaller than the tax lot of which the area is a part and shall be**
21 **limited to the area actually used for small-scale urban agricultural**
22 **production.**

1 “(d) A city or county may enter into subsequent five-year agree-
2 ments with an owner of unimproved land granted special assessment
3 under this section that begin after the fifth year of any prior agree-
4 ment entered into under this section.

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

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

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

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

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

19 “(D) The affidavit or affirmation of the applicant that the state-
20 ments contained in the application are true.

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

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

1 “(e) The county assessor shall enter on the assessment and tax roll
2 for the land the notation ‘potential additional tax liability.’

3 “(5)(a) Unimproved land subject to special assessment under this
4 section shall be disqualified from special assessment if the county
5 assessor discovers that, during the term of an agreement entered into
6 under subsection (3) of this section, the unimproved land is no longer
7 used for urban agricultural production.

8 “(b) Disqualification under this subsection becomes effective on the
9 January 1 assessment date of the assessment year in which the dis-
10 covery is made if the notice of disqualification required under ORS
11 308A.718 is mailed by the county assessor before August 15 of the
12 property tax year for which the disqualification is asserted.

13 “(c) Following disqualification, an additional tax shall be added to
14 the tax extended against the land on the next assessment and tax roll,
15 to be collected and distributed in the same manner as other ad
16 valorem property taxes. The additional tax shall be equal to the dif-
17 ference between the taxes assessed against the land and the taxes that
18 would otherwise have been assessed against the land for each of the
19 property tax years for which the land was subject to special assess-
20 ment under this section before the disqualification.

21 “(d) Additional taxes imposed under paragraph (c) of this subsection
22 shall be deemed assessed and imposed in the year to which the addi-
23 tional taxes relate.

24 “(e) The amount determined to be due under this section may be
25 paid to the tax collector prior to the time of the next assessment and
26 tax roll, pursuant to the provisions of ORS 311.370.

27 “(f) For purposes of this subsection, unimproved land is not dis-
28 qualified from special assessment and may not be assessed additional
29 taxes solely because the land is no longer used for urban agricultural
30 production outside the effective periods of agreements entered into

1 **under subsection (3) of this section.**

2 **“(6) The designation of an urban agriculture incentive zone under**
3 **this section is solely for purposes of the special assessment granted**
4 **under this section and has no effect on buildable land inventories or**
5 **the urban growth boundary of the city or county that designates the**
6 **zone.**

7 **“(7) The Department of Revenue may adopt rules necessary for ad-**
8 **ministration of the urban agriculture incentive zone special assess-**
9 **ment under this section.”.**

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