

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2723**

1 On page 1 of the printed A-engrossed bill, line 2, after the first semicolon
2 delete the rest of the 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**
6 **production’ means the employment of land for farm use as defined in**
7 **ORS 308A.056. ‘Agricultural production’ does not mean growing, har-**
8 **vesting or processing marijuana.**

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

13 **“(2)(a) A city may designate any urbanized area of the city as an**
14 **urban agriculture incentive zone.**

15 **“(b) A county may designate any urbanized area of the county that**
16 **is not within the corporate boundaries of any city as an urban agri-**
17 **culture incentive zone.**

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

22 **“(b) During each of the five years of the agreement, the unimproved**

1 land shall be subject to special assessment in the same manner as
2 farmland is valued under ORS 308A.107, provided the gross income re-
3 quirements specified under ORS 308A.071 (2)(a)(A) to (C) are met for
4 the year.

5 “(c) The area of unimproved land subject to special assessment may
6 not be smaller than 5,000 square feet or larger than five acres, cu-
7 mulatively per landowner. The area may be smaller than the tax lot
8 of which the area is a part and shall be limited to the area actually
9 used for small-scale agricultural production.

10 “(d) Land may be considered unimproved notwithstanding the
11 presence on the land of agriculture-related improvements, including,
12 but not limited to, greenhouses and hoop houses.

13 “(e)(A) A city or county may enter into subsequent five-year
14 agreements with an owner of unimproved land granted special assess-
15 ment under this section that begin after the fifth year of any prior
16 agreement entered into under this section.

17 “(B) If unimproved land that has been granted special assessment
18 under this section by a county is subsequently annexed into a city, the
19 county and the owner of the unimproved land may not enter into
20 subsequent agreements under this subsection. The city and the owner
21 of the unimproved land may enter into an agreement under this sub-
22 section if the land is within an urban agriculture incentive zone des-
23 ignated by the city.

24 “(f) The transfer of title to unimproved land granted special as-
25 sessment under this section does not affect the special assessment
26 provided the requirements of this section are met under the new
27 ownership.

28 “(4)(a) An owner of unimproved land seeking to have the land
29 granted special assessment under this section must file an application
30 with the county assessor on or before April 1 preceding the first

1 **property tax year for which the special assessment is sought.**

2 **“(b) The application must be made on forms prepared by the De-**
3 **partment of Revenue and supplied by the county assessor and must**
4 **include:**

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

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

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

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

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

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

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

26 **“(5)(a) Unimproved land subject to special assessment under this**
27 **section shall be disqualified from special assessment if the county**
28 **assessor discovers that, during the term of an agreement entered into**
29 **under subsection (3) of this section:**

30 **“(A) For any assessment year, the gross income requirements**

1 specified under ORS 308A.071 (2)(a)(A) to (C) were not met; or

2 “(B) The unimproved land is no longer used for agricultural pro-
3 duction.

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

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

11 “(c) Disqualification under this subsection becomes effective on the
12 January 1 assessment date of the assessment year in which the dis-
13 covery is made if the notice of disqualification required under para-
14 graph (b) of this subsection is mailed by the county assessor before
15 August 15 of the property tax year for which the disqualification is
16 asserted.

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

25 “(e) Additional taxes imposed under paragraph (d) of this subsection
26 shall be deemed assessed and imposed in the year to which the addi-
27 tional taxes relate.

28 “(f) The amount determined to be due under this subsection may
29 be paid to the tax collector prior to the time of the next assessment
30 and tax roll, pursuant to the provisions of ORS 311.370.

1 “(g) For purposes of this subsection, unimproved land is not dis-
2 qualified from special assessment and may not be assessed additional
3 taxes solely because the land is not used for agricultural production
4 outside the effective periods of agreements entered into under sub-
5 section (3) of this section.

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

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

12 “SECTION 2. Section 1 of this 2015 Act applies to property tax years
13 beginning on or after July 1, 2016.

14 “SECTION 3. (1) A city or county may not designate an urban ag-
15 riculture incentive zone under section 1 of this 2015 Act on or after
16 January 1, 2019.

17 “(2) Unimproved land may not be specially assessed under section
18 1 of this 2015 Act for property tax years beginning on or after July 1,
19 2023.

20 “SECTION 4. This 2015 Act takes effect on the 91st day after the
21 date on which the 2015 regular session of the Seventy-eighth Legisla-
22 tive Assembly adjourns sine die.”.

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