

From: Jon Schriever
To: [LRO](#)
Subject: HB 2859
Date: Tuesday, February 28, 2017 9:37:01 PM

Members of the House Revenue Committee,

My wife, daughter, son and I grow grass seed, clovers and filberts on our modest operation of about 450 acres in the Yoder Oregon area. I urge you to oppose HB 2859. If passed, the tax burden this bill would create will literally crush family farmers like us across the state. It is a foolish idea unless you are in favor of literally putting hundreds of farmers out of business. You may have heard or seen the slogan, "I farm, You eat". Well, think about it...it's much more than a slogan. I call this bill foolish because it should be obvious that putting the people out of business who grow your food isn't exactly a good idea. This is a very real result if this bill passes, not an idle threat.

I don't have to tell you that HB 2859 has been proposed, plain and simple, to create more tax revenue for the the state budget without regard for common sense, let alone ethics. The bill would sunset personal property tax exemptions for farm equipment. These exemptions were put in place in recognition of the unique economics of agriculture. The equipment required to run a farm is very expensive and specialized. For instance, a combine is necessary to harvest grain and seed crops, costs about \$350,000 to buy new and can only be used about 30 days or less a year. We typically buy used large equipment like combines because that is all we can afford and for the size of our operation, spending enough to buy new would be foolish. You see, we spend according to what we can afford. The state needs to do the same thing. The added expense of personal property tax on farm equipment would make it impossible to own. Even on our modest sized farm our equipment easily adds up to over \$1 million! Equipment is expensive to own and maintain...if you add a tax burden to the cost of ownership it simply won't make sense anymore. Well, a farmer can't farm without equipment so, there you go...shut down the farm...REALLY.

HB 2859 also eliminates the property tax farm deferral on farmland. The farm deferral was put in place in recognition that the use of lands for farming is beneficial to society and that limitations put on the use of the land (exclusive farm use, or EFU) are partially mitigated by reduced property taxes. These special assessments reflect the value for agricultural productivity. The farm use and homesite special assessments are critical to **THOSE WHO OWN AND FARM THE LAND** in order to be able to financially survive.

The impact of HB 2859 on farm families would be devastating! Please do the sensible and the RIGHT thing and vote NO on HB 2859.

Very sincerely,
Jon Schriever
Molalla, OR