

From: Jenny Freeborn
To: [LRO](#)
Cc: [Sen Boquist: rep.mikenearman@state.or.us](mailto:rep.mikenearman@state.or.us)
Subject: HB 2859
Date: Wednesday, March 01, 2017 7:15:01 AM

Members of the House Committee on Revenue

Re: House Bill 2859, Relating to property taxes; prescribing an effective date.

My name is Jenny Freeborn. I am a member of a farm family in rural Polk County, Oregon, near the metropolis of Rickreall. I am also an insurance agent, specializing in farm & ranch insurance. I am writing you today in strong opposition of House Bill 2859, with the hope that this bill will not pass out of committee.

I don't believe I need to emphasize to you the importance of agriculture to the state of Oregon, or the uniqueness of our agricultural industry, with a multitude of crops here grown nowhere else in the United States, and for some crops, even the world. I do, however, want to emphasize the sizeable negative impact passage of this bill would have on farming, ranching, and rural Oregon in general. As I'm sure you're aware, the expenses of farm inputs, needed to raise the crops we grow, have increased dramatically over the past few decades. At the same time, the prices for commodities we grow have remained at the same levels, making an already narrow margin for covering these input costs, much less overhead costs including taxes, dramatically smaller than it once was. Passage of this bill would further narrow that margin, forcing some farmers completely out of the game when their profit margin drops below zero.

Farmers, ranchers, and many small business and sole proprietors already face numerous expenses that are not faced by the average Oregonian. I, personally, am able to get health insurance through my work, and I am thankful that I am, as that ability was able to cut my health insurance cost monthly by more than 50% when I transitioned from being a sole proprietor of my own business into the insurance industry. My family is not so lucky. It is one of the single largest expenses every month for both my parents and my sister's family. Expenses such as the self-employment tax seem to increase every year, along with many other expenses... and farmers do not have the extra money lying around to pay these additional costs. The current tax structure doesn't make sense for a high input, land-rich, cash-poor industry such as agriculture. I won't get into further detail with my thoughts on that, only to say that, rural America, rural Oregon, is already overburdened with expenses, and with an ever shrinking profit margin, it's only a matter of time before agriculture is driven out of the state of Oregon all together, if we continue down this path.

That being said, one of the saving graces for farmers has been the tax deferrals and exemptions related to farm, ranch, and natural resource lands. It allows a specialized industry such as agriculture to function under the current tax system, which I would assume, is why it was put into effect in the first place. These exemptions recognize the nature of the agriculture industry creates a situation where there are very few liquid assets to go around, but agriculture requires large amounts of land to be profitable. Passage of this bill takes away that recognition, and creates a system that further fails to recognize the unique nature, and the necessity, of the agriculture industry.

One last thing – the ramifications of the increased tax burden which would be caused by the passage of this bill go far beyond rural Oregon. Besides the likely scenario where some farmers and ranchers would be forced out of business, forced to further cut the labor force if they are employers, and numerous other direct impacts, this bill would also impact all of the jobs created in town, downstream and surrounding the agriculture community. Transportation, shipping, finance, processing, the list goes on and on. Some statistics show that up to 25% of jobs are directly related to, and reliant on, the agriculture industry – with less than 2% of those being actual farmers or ranchers in production. This industry is far-reaching. I can personally attest to that. I am the off-farm kid. I am the kid who has been forced to take a job in town, because my family farm cannot sustain all three families. But I refuse to leave agriculture behind, so I found employment in an industry directly related to agriculture – farm & ranch insurance. As it is, many of my clients talk to me about how to get their insurance bill down, often concerned about their input cost, their tax burden, their health insurance, and various other expenses they face. They often choose not to insure some pieces of equipment or other parts of their operation, simply to save the money to afford to have the vital things covered, like their liability. If they no longer had the money to afford their insurance, or if they were lost all together as farmers were forced out of business, I also lose my clients, my industry, and my income. Nothing affecting rural Oregon, farmers & ranchers, is isolated to those industries. My job would be affected, as well, and possibly lost, as well.

With that, I urge you to vote down House Bill 2859. It would be devastating for rural Oregon. Please, talk to local farmers, talk to people impacted by the agriculture industry, talk to land owners and foresters. I understand there is a budget need for income to the state government, but taking this route to attempt to raise that income would be far more harmful to the Oregon economy than any good it could do. Please recognize the impacts that occur not only immediately, farther down the road, and vote no on this bill.

Thank you.

Sincerely,

Jenny Freeborn

Rickreall, OR