

# OREGON WHEAT

**TO: Rep. Phil Barnhart, Chair**  
Members of House Revenue Committee

**FR: Blake Rowe**  
CEO, Oregon Wheat Growers League

**RE: HB 2859**

I write to emphasize the importance of the tax provisions referenced in HB 2859, many of which represent much more than simple credits or incentives, but rather are rooted in a sort of social “contract” where the State choose to encourage something and enacted some special tax provisions to help land owners or businesses to do their part.

**The State’s desire to preserve farmland and forestland led to the decision to base property taxes on the value of land for agricultural or forest production,** not the market value available from other uses or development. A similar idea was behind the tax incentives for wildlife habitat, open space, and conservation easements. It is hard to ask a land owner to commit to a lower value or unproductive use (a use with high social benefits) and then ask them to pay big property tax bills with their non-existent cash flow from the property.

**The removal of farm equipment from personal property taxes was partly to help farms remain competitive in business, but also to encourage continued investment in more efficient, lower emission, more environmentally friendly equipment.** Efficiency and environmental improvement are still goals shared by many of the public policies recently adopted in our state or being considered by this session of the legislature.

The State wanted to encourage timber harvesting methods with lower environmental impacts, hence the provisions to give a break on skyline logging and other types of equipment. Other forestry measures provided incentives for the improvements we have seen in forest management and stewardship over the years.

If you go back and look at the history of many of the provisions included in HB 2859, I think you will find they were **founded in well-reasoned policies to promote Oregon’s economy, natural resources like agriculture and forestry, and our environment.** I think it is fair to say that landowners and operators are still honoring their side of these “deals”, even though most Oregon citizens may have long ago forgotten the reasons each provision was adopted. I urge you to consider the consequences of unilaterally cancelling these provisions and hope you will take our comments into consideration.

Respectfully,

Blake Rowe  
Oregon Wheat Growers League