

Opposition to House Bill 2859

I'm writing to oppose House Bill 2859. I am a 3rd generation grass seed farmer in the Albany area. My family farm would not be able to continue farming if this bill were to pass because of the overwhelming property tax regulations and the change of the land use laws for agriculture and farming. My 11 year old would like to pass on to you that she would like the opportunity to be a 4th generation grass seed farmer.

PERSONAL PROPERTY TAX EXEMPTIONS FOR EQUIPMENT ARE NECESSARY



I included these pictures to show you what happens to our farm equipment outside their farming purpose. Some of this equipment is used for 1-10 days in the fall, and then 1-10 days in the Spring – for farming purposes only. This equipment is used for no other purpose other than farming. Some of this equipment is used for 15 days in July, and some of it is used for 6 weeks from July-August. Some of this equipment was built in the

1970's and we still use today. Some of it has been purchased in the past few years. Farmers make decisions on equipment based on a number of reasons, all of them need to make financial sense. The added expense of an annual personal property tax on this equipment would be a burden so large that it would change the face of farming as we know it.

We as farmers say often that we are “price takers” not “price makers”. This means that we don't set the price, the price is given to us. Ask any farmer about wheat prices, and they'll be able to tell you what it is this year and what it was a few years ago – and it has nothing to do with what we've done. Whether it's \$4.85/bushel or \$6.50/bushel – we farmers harvest the same way: as efficiently as possible within restrictions such as weather and the dependability and speed of our equipment. Depending on the amount of acres we have do we decide on how efficient the equipment we need to purchase. If we have a lot of acres to go through and we know here in the Willamette Valley we have time constraints because of the weather, will depend on how new and how efficient our equipment is. Again, we are price-takers. This applies to farmers whether they are selling broccoli, grass seed, or wheat. If the legislature votes to take away these exemptions on farm equipment and machinery does NOT mean that we will be able to increase our crop pricing in order to pay for these new taxes. *In addition*, if we are paying real property taxes on this equipment, we won't be able to afford newer and more efficient machines, meaning we will be less efficient, less productive, and our profit margin will slip (reminder not all years is this profit margin a positive number in the world of farming). We have to be as productive and efficient as possible – and literally HOPE the price we sell our crops at will be more than our cost of producing it.

FARM USE ASSESSMENT PROTECTS FARMLAND: (Section 59)

Oregon's land use laws are there for a reason. Without the farm use special assessment, the landscape could both figuratively and literally change. Urban areas and towns are already infringing on agriculture and have heard horror stories of agricultural land being taken out of production in some areas in the US. This obviously increases the lands' value and tax liability. The Oregon Legislature recognized this and established several special-assessment programs to reduce taxes for us to keep the land in agriculture.

FARM HOMESITE ASSESSMENTS KEEP FARMLAND IN PRODUCTION: (Section 60)

Farmers are not allowed to parcel off the home and acre from farmland, which is why a special assessment is necessary. The special assessment is actually the highest and best use of the land. If the homesite is no longer used for farm use, the law already stipulates

the site no longer qualifies for the exemption. A repeal this exemption would unfairly target farmers, taking away the highest and best use of the land. This exemption is necessary to protect family farms.

Farming is a risky endeavor for many reasons even with the tax exemptions. The language in this bill would change everything. I respectfully request this bill be removed from further consideration.

Thank you,

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