

FARMER ASKS 2017

FARMERS ARE HOPING FOR ADDITIONAL TAX AND PROGRAM SUBSIDIES

- Water Resources Department \$2 m of bond proceeds for feasibility grants, water basin studies and \$30 m for grants for 80% of cost and loans for up to 20% of cost for water infrastructure along with a 9% increase in the department's budget. 85% of water is used by farmers.

There are at least four bills dealing with requiring and funding water resource studies:

- HB 2097 Establishes six study areas – for economic development, people and stream flows – no money in the bill. Committee bill: H. Ag with W&M referral
 - HB 2705 Requiring water appropriators to measure amount used and report measurements to Water Resources Department; public financial support of measurement is acceptable, but not in the bill. Required for new water after date of bill, and all water after 2020. Helm: H Energy&Enviro
 - ~~LC2136 Imposing \$100 annual management fee on each primary or supplemental water right;~~
 - HB 2707 appropriating moneys from General Fund to Water Resources Department for ground water studies, investigations, and analysis. Helm: H Energy&Enviro with W&M
 - HB 2099 For municipal water supply, Changes water management and conservation plan approval condition for extension of time to construct works or perfect right for municipal use of water. Rural: Ag
- Expands purposes for which improvements may be made under local government financing program to include water efficiency, energy storage, vehicle charging stations. HB 2132
 - Tax Credit for utilities and maintenance for farmworker housing likely subsidized when built. Adds to 50% tax credit to construct or re-hab farmworker housing available since 1989. SB1 Courtney
 - No property taxes on winery equipment, similar to the exemptions of farm and food processing equipment.
 - No property taxes on food processing machinery and equipment for producing cannabinoid edibles, alcoholic beverages and alcoholic liquors. HB2151

- \$1.5 m of GF money for wine crop problems research. See in: <https://olis.leg.state.or.us/liz/201511/Committees/HAGNR/2016-12-13-08-00/Agenda>
- Refundable TC for renting to a beginning farmer, can be own child, no cap on cost or size of rented operation. Renters asset cap. TC for 10-15% of rental income, no caps HB 2085
- Increases tax credit for farmers who donate crops from 15 to 50% Note: farmers will also have subtracted from their income all the costs of growing, harvesting and delivering the crop. SB 617 Knopp
- Creates Oregon Independent Science Review. Board in the Institute for Natural Resources at OSU - funds SB 198
- Department of Education to coordinate with Oregon FFA Association to increase student achievement and improve college attendance and career placement for students enrolled in agricultural education courses. Grant program to support public school agricultural programs. Grant program for purpose of funding extended duty contracts to agricultural and science ed programs during summer. Grant programs to be paid from High School Graduation and College and Career Readiness Fund. HB 2382 (with 7 sponsors)
- Task force on noxious weed control to identifying ways to strengthen the statewide effort. LC2959
- The Oregon Watershed Enhancement Board has a funding request for \$4.25 m "Oregon Heritage Farms" \$4.25 for farmer transition, to purchase conservation easements in order to provide income for older farmers and keep farmland for farming.

Capital Press, Sept. 12, 2016: Oregon Conservation easement program will seek \$4.25 million Have been told it's not in the Gov's budget.....but still alive
- Counseling for transition planning

Governor's Budget

Water Resources Department (pg 182 of the Governor's Budget), gives the department a 9% increase in funding, for 175 positions. An additional groundwater basin study team, and five field staff (8.56 new FTE) to improve management and distribution of water resources in the near term.

The budget says it increases fees, but there is no significant increase in Other Funds, only \$74,253,832 to \$74,271,553. So I don't see how that's an increase in fees.

Instead, the General Fund/Lottery Funds see increased commitments, whose combined total increases \$8,736,325 to \$42,433,371. That \$42 million is worth nearly two days of school.

Additionally, the Governor suggests lottery bonding commitments of \$32 million, to fund feasibility GRANTS to help communities determine whether a water project is feasible (\$2m), and the Water Supply Fund (\$30m) to finance one or more water resource projects having economic, environmental and community benefits, with up to 80% of the cost covered with GRANTS, and 20% with community assets or loans from the fund.

Paying off the \$32 in bonds for the next 20-30 years will reduce funding for schools, etc. by roughly \$54 m.

