

DATE: March 1, 2017

TO: Chair, Barnhart and Committee Members of the House Revenue Committee

FROM: Sam Sweeney, 1070 Ferry St. Dayton, Oregon 97114. I am part of a multigenerational family farm growing a wide variety of crops in Yamhill County

REGARDING: My Opposition to HB 2859

A large part of Oregon's economy is based on the ability of Oregon's farmers to produce high quality farm commodities not only for Oregon and out of state consumers but also for export to global markets.

There are many reasons why Oregon's agricultural industry has been successful and benefited Oregon's economy. One reason is that in past Oregon legislative sessions, it was recognized that in order for agricultural to flourish and be competitive, farm land needed to be protected from nonfarm use. Out of this need came the historic SB 100 that to a large degree protects Oregon's farm land base and prevents non farmland speculative market values.

It was also recognized that farmland taxation based on sales market values, similar to taxation formulas on residential or commercial values when applied to agricultural farmland would result in unfair taxation and be an impediment to the agricultural industry. From this knowledge came a much fairer way to tax farmland which is based on rental rates of farmland indexed to soil types productive capabilities and other improvements. With the protection of farmland from speculative nonfarm values and fair taxation rates, farmers feel safer in planning for the future in producing valuable commodities that Oregon needs and is recognized for. HB 2859 would remove this protective exemption in 2020.

It is my understanding that HB 2859 would also remove an exemption that would result in taxing farm machinery that is required by farmers in the production of Oregon's commodities. This would result in farm machinery being taxed at the same rate as commercial and industrial machinery that is used continually and year around. In contrast agricultural machinery is only used approximately several weeks out of a year. This industrial form of taxation is unfair to agriculture and if enacted would raise the price of commodities. This cost would either be passed onto consumers, or more likely, would be absorbed by the farmer decreasing his profitability. .

In summary, if enacted, HB 2859 would result in unfair treatment penalizing Oregon's agricultural system. Eventually, it will weaken Oregon's land use laws that are necessary to protect the states highly productive soils. Oregon agriculture is a large part of Oregon's economical base benefiting all of its citizens in many different ways and deserves to be protected and treated fairly.

Therefore, I strongly urge you to reject HB 2859.

Sincerely



Sam Sweeney, a long term Oregon Farmer