

## **HB 3249 – Establishing an Oregon Agricultural Heritage Fund within OWEB Testimony for House Agriculture – Gerritt Rosenthal – 4.4.2017**

Tax Fairness Oregon feels the need to recommend against HB 3249 and a companion piece, HB 3247.

HB 3249 appears to be a well-intentioned effort to provide more stimulus for environmentally sensitive management of agricultural and ranch lands. HB 3249 would create a new 12 member Commission and a new Oregon Agricultural Heritage Fund, “separate from the General Fund” to provide grants and create program related to succession planning, implementation of conservation management plans, and providing technical assistance to organizations that are, or might be, involved in conservation management. These sound like worthy goals, however, on closer investigation, HB 3249 has serious flaws, both technically and fiscally.

On the technical level, Tax Fairness Oregon would call your attention to the Testimony by Mr. Moskowitz on behalf of the Deschutes River Alliance, NW Environmental Advocates, the Conservation Angler, and Willamette Riverkeepers. Tax Fairness Oregon’s hydrology and environmental assessment specialists concur with this technical analysis and feel that these arguments provide ample reason to oppose the bill.

In addition, from the basis of Tax Fairness Oregon’s expertise, we want to emphasize the lack of fiscal responsibility in this proposed measure. We want to address four specific concerns: (1) Oregon’s tax subsidies to farmers and ranchers overall, (2) succession planning in particular, (3) additional funding for non-profits in the arena of conservation management, and (4) budgetary availability of resources.

### **Existing Tax Subsidies to the Agricultural Sector**

We have attached to this testimony a summary of the existing subsidies to this business sector. As this supplemental information indicates, we are currently providing subsidies that total over \$550 million in the next biennium. In addition, the current session is considering 17 bills aimed at this one sector alone. We feel that this time of budget shortfall is not one in which to create or expand programs. As our supplemental information shows, overall, the state shows fiscal losses in this market sector. Given the revenue shortfall, we feel that any new programs or commissions need to be balanced with either an independent funding source or by the trimming or eliminating of one or more of the existing subsidies.

### **Succession Planning**

We feel HB 2349’s emphasis on succession planning is misplaced for several reasons. First, an online review indicates that there is a considerable body of information available to provide this assistance. Oregon State University has a

celebrated “Ties to the Land Program” and the Farm Bureau has programs geared to helping farmers with such issues. In addition, Business Oregon has a number of different resources including:

- Austin Family Business Program – OSU
- Family Business 360
- National Center for Employee Ownership, and
- The Oregon Small Business Development Center Network.

Secondly, succession planning for individual farming operations should be, primarily, the responsibility of the farm/business owner and should not require a significant use of public funds. We feel the State’s role should be to assist all Oregon businesses by providing information on available tools, and not target one specific sector for special assistance.

### **Funding for Non-Profits**

Although Tax Fairness Oregon recognizes the vital role that non-profits play in many sectors of civic life, including assistance to the agricultural community, we would have to concur with the consortium (Mr. Moskowitz’s) comments that this support is so unstructured as to provide merely a basis for building nonprofit organizations without specific metrics for public benefit. Specifically, the bill would provide “development funding or technical assistance to organizations that enter into or propose to enter into agreements resulting in conservation management plans...”. This provides no guarantee of environmental or even public benefit, focuses only on “plans” and not concrete actions, and allow grants for “development’ without guidelines or results based evaluations.

### **Budget Concerns**

As our supplemental material indicates, we already have a large number of programs to assist our important agricultural industries, but we do not have a process in place to compare these programs for cost/benefit. We also have a looming \$1.6 Bn shortfall and an additional \$1 Bn in unfunded educational needs statewide. We simply cannot afford to create new programs, especially poorly defined programs without specific targeted results or specifically defined public benefits. HB 2349 (as well as HB 2347) may be well intentioned, but we cannot afford them.

**NOW IS NOT THE TIME – THESE IDEAS NEED FURTHER DEVELOPMENT**