



Senate Committee on Finance and Revenues
lro.exhibits@oregonlegislature.gov

Re: SB 146

Dear Committee Members:

This letter expresses the East Multnomah Soil and Water Conservation District’s (EMSWCD’s) **strong support for SB 146**. The EMSWCD is a unit of local government, led by an elected board of five directors, serving nearly 700,000 residents in Multnomah County east of the Willamette River. We work with constituents on a voluntary, non-regulatory basis to help them care for land and water.

In 2008, EMSWCD established our Land Conservation Fund as a means to allocate funding, in part, for working farmland, rangeland, and forestland protection within our service area. We have since acquired and protected four working farms totaling over 150 acres (see table below). The sole purpose of our Farmland Protection Program is to help maintain an economically viable and ecologically sustainable farming community within our district by keeping farms operating under the same or similar use that they were previously receiving tax deferrals for. In 2017, HB 2127, which was codified as ORS 311.411, unintentionally created financial barriers to the successful implementation of our Farmland Protection Program by requiring that deferred taxes be paid prior to sale (see table for estimated deferred taxes owed at the time of EMSWCD purchase).

Farm	Privately-owned/ prior use	EMSWCD-owned				Long term projected use
		Purchase date	Acres	Estimated ag deferred taxes owed at time of purchase	Post purchase use	
Oxbow	Nursery production	2012	57	\$9,833	Grass; Nursery stock propagation	Private: Nursery production
Headwaters	Nursery production	2012	60	\$10,044	Mixed vegetable; herbs; flowers	EMSWCD: Mixed vegetable; herbs; flowers
Mainstem	Nursery production	2018	14	\$17,000	Lease to beginning farmer; riparian planting	Private: Mixed vegetable; orchard
Sturm	Berries	2018	20	\$23,777	Berries; hemp; riparian planting	Private: Berries; hemp; mixed vegetable

ORS 311.411 requires, among other things, that deferred taxes be paid when a tax-exempt entity purchases property that is in a tax deferred status. This creates a financial barrier for private landowners who want to sell their properties to public entities for protection purposes; efforts that will maintain the public benefits of the current land use. ORS 311.411 fails to account for efforts such as EMSWCD’s in which the properties are acquired by a tax-deferred entity for the public purpose of maintaining those properties in the very status that they are receiving a tax deferral for. SB 146 will address this issue and remove these financial barriers.

Thank you for the opportunity to submit testimony regarding SB 146 and the importance of reducing barriers to voluntary conservation of agricultural lands. **We encourage you to pass SB 146 to support landowners who voluntarily seek to benefit their communities and our state’s natural resources** when they sell land to a Soil and Water Conservation District or other tax-exempt entity.

Sincerely,

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