

MARION AG SERVICE, INC.

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April 29, 2019

Governor Kate Brown
President Peter Courtney
Senator Mark Hass
Senator Arnie Roblan

Speaker Tina Kotek
Representative Nancy Nathanson
Representative Barbara Smith

Oregon State Capitol
Salem OR, 97301

RE: Equal Treatment Under House Bill 3427 – Agricultural Organizations

We are in receipt of the letter from Eric Groves regarding the potential impact of HB3427 on family owned companies engaged in agricultural processing and marketing. We are supportive of Mr. Groves' concerns and urge you to address any inequities between business entities before passage of HB 3427.

Marion Ag Service is a family owned agricultural input service business which originated to serve local farmers here in Oregon's Willamette Valley. We operate in a business environment that, like many agricultural endeavors, deploy large capital investments for margins that require consistent volumes to drive sustainable returns. Creating a competitive disadvantage vs a company with cooperative structure imparts additional risk on our organization and loyal farmers we serve.

Through the years Marion Ag's employee count has risen to over 110, providing opportunity for Oregon's agricultural-minded professionals. Our economic growth and support of our grower communities is rooted in a spirit of consistent service, innovation and competitive fire. We urge you to avoid creating an inequitable competitive environment that creates a disadvantage for true family farm businesses.

Different treatment under the tax law between a family business and a corporation, which is organized as a cooperative, will have a profound negative impact on our business and our farmers.

We urge you to review Mr. Groves' comments and make the appropriate changes to the final draft of HB 3427. Thank you for your consideration.

Sincerely,



Bob Hockett – President

Marion Ag Service Inc.