



Locally Grown
and
GROWING STRONG

House Committee on Revenue
OFB Testimony on HJR 203
February 11, 2020

Chair Nathanson, members of the committee,

Thank you for the opportunity to provide testimony on HJR 203. By way of background, the Oregon Farm Bureau (OFB) is the state's largest agricultural trade association, representing nearly 7,000 farm and ranch families in the state. While OFB appreciates the need to address the affordable housing crisis in Oregon, imposing a real estate transfer tax is not the solution. As such, we urge you not to move it forward.

Oregon's family farms are already struggling to create viable succession plans. Imposing a tax on the transfer of real estate will create substantial obstacles for the transfer of real estate between generations of Oregon's farmers and ranchers. It is estimated that nearly two-thirds of Oregon's agricultural lands will change hands in the next 20 years. With the costs of farming and regulatory burdens increasing, younger generations of farmers already face steep economic barriers in replacing the older generation. HJR 203 will exacerbate these barriers by levying a tax every time property is transferred between generations, whether by a gift, part of a living trust, or sale.

Moreover, Oregonians spoke loud and clear that they did not want a real estate transfer tax with the significant passage of Measure 79 in 2012. The measure passed with almost 60% approval, including passage in 35 of 36 counties. Oregon's farmers and ranchers already pay substantial real property taxes, personal property taxes on their machinery and equipment, surcharges to pay for wildfire funding, and now a significant tax on their gross receipts. Levying another tax is not a cost rural Oregon can absorb.

In sum, Oregonians can take great pride in the number of family farms in Oregon, but HJR 203 puts our farms and ranches in jeopardy. Therefore, OFB urges you to oppose HJR 203.

Thank you for the opportunity to provide testimony today. Please do not hesitate to contact us if you have any questions or concerns.

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