

A-Engrossed
Senate Bill 347

Ordered by the Senate March 24
Including Senate Amendments dated March 24

Sponsored by Senator SMITH DB (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would end special tax assessment for land if the owner or the person in control of the land gets a civil penalty for growing pot on the land or is found guilty of growing it there. The Act would make an exception if the owner reasonably didn't know about the pot or called the police as soon as they did know. (Flesch Readability Score: 63.4).

Disqualifies land from farm use special assessments upon a final civil penalty or judgment of conviction for the illegal growing of marijuana against the landowner or person in possession and control of the land. Provides an exception for a landowner or other obligated taxpayer who reasonably lacked knowledge of the illegal growing of marijuana or promptly notified a law enforcement agency of the illegal growing of marijuana.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to farm use land used for illegal growing of marijuana; creating new provisions; amending
3 ORS 308A.083, 308A.703, 308A.706 and 475C.421; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 308A.050 to**
6 **308A.128.**

7 **SECTION 2. (1) This section applies to:**

8 (a) Land within an exclusive farm use zone qualified for special assessment under ORS
9 308A.062; and

10 (b) Nonexclusive farm use zone farmland qualified for special assessment under ORS
11 308A.068.

12 (2) Land described in subsection (1) of this section shall be disqualified from the special
13 assessment upon either of the following outcomes against the owner of the land, or the
14 person with legal possession and control of the land, based on conduct constituting illegal
15 growing of marijuana on that land:

16 (a) An order imposing a civil penalty becoming final by operation of law or on appeal in
17 accordance with ORS 183.745.

18 (b) Entry of a final judgment of conviction.

19 (3) Notwithstanding subsection (2) of this section, land shall not be disqualified from
20 special assessment under this section if the landowner, or other person obligated to pay ad
21 valorem property taxes on the land:

22 (a) Reasonably lacked knowledge of the illegal growing of marijuana on the land;

23 (b) Notified a law enforcement agency as soon as practicable after the date on which the

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 landowner or other person knew or should have known that illegal growing of marijuana was
2 occurring on the land; or

3 (c) Acquired the land in an arm's-length transaction in the period between the date on
4 which a civil penalty was imposed or a criminal complaint upon which the final judgment of
5 conviction is based was filed and the date on which an order or a final judgment described
6 in subsection (2) of this section was issued or entered.

7 (4)(a) Notwithstanding any provision of ORS 308.210, 308A.056, 308A.062, 308A.068,
8 308A.071, 308A.113, 308A.116, 308A.718, 308A.724, 311.405 or 311.410 to the contrary, disquali-
9 fication under subsection (2) of this section shall be deemed to have occurred as of the Jan-
10 uary 1 assessment date of the earlier of the assessment year in which a civil penalty was
11 imposed or a criminal complaint upon which the final judgment of conviction is based was
12 filed.

13 (b) The disqualification shall apply to the portion of the land that is granted special as-
14 sessment under a program referred to in subsection (1) of this section only for the year in
15 which the disqualification is deemed to have occurred under paragraph (a) of this subsection.

16 (c) The county assessor shall correct the tax roll for the year in which the disqualifica-
17 tion is deemed to have occurred.

18 (5) Upon disqualification, additional taxes shall be determined as provided in ORS
19 308A.700 to 308A.733.

20 (6) As used in this section:

21 (a) "Final judgment of conviction" means a criminal judgment for which the time to ap-
22 peal has expired without any party filing an appeal or that is not subject to further appeal
23 or review.

24 (b) "Illegal growing of marijuana" means the production of marijuana in a manner or
25 place that subjects the production or producer to civil or criminal enforcement under ORS
26 475C.005 to 475C.525.

27 **SECTION 3.** ORS 308A.703 is amended to read:

28 308A.703. (1) This section applies to land upon the land's disqualification from special assess-
29 ment under any of the following sections:

- 30 (a) Exclusive farm use zone farmland under ORS 308A.113 or section 2 of this 2025 Act;
- 31 (b) Nonexclusive farm use zone farmland under ORS 308A.116 or section 2 of this 2025 Act;
- 32 (c) Western Oregon designated forestland under ORS 321.359;
- 33 (d) Eastern Oregon designated forestland under ORS 321.842;
- 34 (e) Wildlife habitat special assessment under ORS 308A.430; or
- 35 (f) Conservation easement special assessment under ORS 308A.465.

36 (2) Following a disqualification listed in subsection (1) of this section, an additional tax shall
37 be added to the tax extended against the land on the next assessment and tax roll, to be collected
38 and distributed in the same manner as other ad valorem property tax moneys. The additional tax
39 shall be equal to the difference between the taxes assessed against the land and the taxes that would
40 otherwise have been assessed against the land, for each of the number of years determined under
41 subsection (3) of this section.

42 (3) The number of years for which additional taxes shall be calculated shall equal the lesser of
43 the number of consecutive years the land had qualified for the special assessment program for which
44 disqualification has occurred or:

- 45 (a) Ten years, in the case of exclusive farm use zone farmland, but only if the land, immediately

1 following disqualification, remains outside an urban growth boundary;

2 (b) Ten years, in the case of wildlife habitat special assessment land within an exclusive farm
3 use zone, but only if the land, immediately following disqualification, remains outside an urban
4 growth boundary;

5 (c) Ten years, in the case of conservation easement special assessment land within an exclusive
6 farm use zone, but only if the land, immediately following disqualification, remains outside an urban
7 growth boundary; [or]

8 (d) Five years, in the case of:

9 (A) Nonexclusive farm use zone farmland;

10 (B) Western Oregon designated forestland;

11 (C) Eastern Oregon designated forestland;

12 (D) Exclusive farm use zone farmland that is not described in paragraph (a) of this subsection;

13 (E) Wildlife habitat special assessment land that is not described in paragraph (b) of this sub-
14 section; or

15 (F) Conservation easement special assessment land that is not described in paragraph (c) of this
16 subsection[.]; or

17 **(e) Notwithstanding paragraphs (a) and (d) of this subsection, 10 years in the case of**
18 **exclusive farm use zone farmland and nonexclusive farm use zone farmland disqualified un-**
19 **der section 2 of this 2025 Act.**

20 (4)(a) Except as provided in paragraph (b) of this subsection, if disqualification under subsection
21 (1)(a) or (b) of this section occurs within five years after the end of a period of farm use special
22 assessment pursuant to a remediation plan as defined in ORS 308A.053, the number of years for
23 which the additional tax shall be calculated shall be the number of years determined under sub-
24 section (3) of this section plus the number of years during which farm use special assessment was
25 granted pursuant to the remediation plan.

26 (b) Additional tax may not be collected for the number of years during which farm use special
27 assessment was granted pursuant to the remediation plan if the plan:

28 (A) Is implemented in good faith; and

29 (B) Fails to render continued farm use practicable.

30 (5) The additional taxes described in this section shall be deemed assessed and imposed in the
31 year to which the additional taxes relate.

32 (6) If the disqualification of the land is the result of the sale or transfer of the land to an own-
33 ership making the land exempt from ad valorem property taxation, the lien for additional taxes shall
34 attach as of the day preceding the sale or transfer.

35 (7) The amount determined to be due under this section may be paid to the tax collector prior
36 to the time of the next general property tax roll, pursuant to the provisions of ORS 311.370.

37 **SECTION 4.** ORS 308A.706 is amended to read:

38 308A.706. (1) Notwithstanding that land is disqualified from special assessment, the additional
39 taxes described under ORS 308A.703 may not be imposed and shall remain a potential tax liability
40 if, as of the date the disqualification is taken into account on the assessment and tax roll, the land
41 is any of the following:

42 (a) Disqualified exclusive farm use zone farmland or nonexclusive farm use zone farmland that:

43 (A) Is not being used as farmland; and

44 (B) Is not being used for industrial, commercial, residential or other use that is incompatible
45 with a purpose to return the land to farm use.

1 (b) Acquired by a governmental agency or body as a result of an exchange of the land for land
2 of approximately equal value held by the governmental agency or body.

3 (c) Acquired and used for natural heritage purposes and all of the following additional require-
4 ments are met:

5 (A) The land is registered under ORS 273.581 as a state natural area;

6 (B) The land is acquired by a private nonprofit corporation;

7 (C) The land is retained by the corporation, or transferred to the state by the corporation, for
8 the purpose of educational, scientific and passive recreational use consistent with conservation of
9 the ecological values and natural heritage resources of the area;

10 (D) If the land is retained by the corporation, it remains open to the public without charge for
11 the uses described in subparagraph (C) of this paragraph; and

12 (E) The land is managed pursuant to a voluntary management agreement under ORS 273.581 (5).

13 (d) Qualified for special assessment under:

14 (A) ORS 308A.062, relating to farm use special assessment of land in an exclusive farm use zone;

15 (B) ORS 308A.068, relating to farm use special assessment of nonexclusive farm use zone
16 farmland;

17 (C) ORS 321.358, relating to classification as designated forestland in western Oregon;

18 (D) ORS 321.839, relating to classification as designated forestland in eastern Oregon;

19 (E) ORS 321.709, relating to qualification as small tract forestland;

20 (F) ORS 308A.424, relating to wildlife habitat special assessment; or

21 (G) ORS 308A.456, relating to conservation easement special assessment.

22 (e) Disqualified nonexclusive farm use zone farmland, to the extent the additional taxes are de-
23 ferred or abated as provided in ORS 308A.119.

24 (2) This section does not apply to the additional taxes imposed under:

25 (a) ORS 308A.703 (4)(a) for the number of years during which farm use special assessment was
26 granted pursuant to a remediation plan as defined in ORS 308A.053.

27 **(b) Section 2 of this 2025 Act.**

28 (3) In any case where the additional tax is deferred under the provisions of this section but may
29 subsequently be imposed under ORS 308A.712, the county assessor shall continue to enter the no-
30 tation "potential additional tax liability" on the assessment and tax roll.

31 **SECTION 5.** ORS 475C.421 is amended to read:

32 475C.421. (1) The county courts, district attorneys and municipal authorities, immediately upon
33 the conviction of a licensee of a violation of ORS 475C.005 to 475C.525, or of a violation of any other
34 law of this state or ordinance of a city or county located in this state an element of which is the
35 possession, delivery or manufacture of a marijuana item, shall notify the Oregon Liquor and
36 Cannabis Commission of the conviction.

37 **(2) Immediately upon a judicial outcome subject to notice in the case of a licensee, or a**
38 **person required to be licensed under ORS 475C.005 to 475C.525, for a violation subject to no-**
39 **tice, the county courts, district attorneys and municipal authorities shall notify the com-**
40 **mission, each county assessor having jurisdiction over the farmland on which the prohibited**
41 **conduct occurred and the Department of Revenue of the judicial outcome subject to notice**
42 **and the location of the farmland.**

43 **(3) As used in this section:**

44 **(a) "Final judgment of conviction" has the meaning given that term in section 2 of this**
45 **2025 Act.**

1 **(b) “Illegal growing of marijuana” has the meaning given that term in section 2 of this**
2 **2025 Act.**

3 **(c) “Judicial outcome subject to notice” means the issuance of an order imposing a civil**
4 **penalty, or the entry of a final judgment of conviction, as described in section 2 (2) of this**
5 **2025 Act.**

6 **(d) “Violation subject to notice” means a violation of ORS 475C.005 to 475C.525, or a vio-**
7 **lation of any other law of this state or ordinance of a city or county located in this state,**
8 **an element of which is the illegal growing of marijuana on farmland.**

9 **SECTION 6.** ORS 308A.083 is amended to read:

10 308A.083. In the case of exclusive farm use zone farmland that qualifies for special assessment
11 under ORS 308A.062 or nonexclusive farm use zone farmland that qualifies for special assessment
12 under ORS 308A.068, the county assessor shall enter on the assessment and tax roll the notation
13 “potential additional tax liability” until the land is disqualified under ORS 308A.113 or 308A.116 **or**
14 **section 2 of this 2025 Act.**

15 **SECTION 7.** **Section 2 of this 2025 Act and the amendments to ORS 308A.083, 308A.703,**
16 **308A.706 and 475C.421 by sections 3 to 6 of this 2025 Act apply to conduct constituting illegal**
17 **growing of marijuana that occurs on or after the effective date of this 2025 Act.**

18 **SECTION 8.** **This 2025 Act takes effect on the 91st day after the date on which the 2025**
19 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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