

Submitter: Barbara Kahl
On Behalf Of:
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Measure, Appointment or Topic: HB2548

Oregon House Bill 2548, while framed as a measure to streamline tax policy, poses significant risks to the state’s agricultural community, particularly its farms. This legislation threatens the economic viability of Oregon’s farming operations by undermining local government flexibility, increasing financial burdens on rural communities, and disrupting the delicate balance of an already strained agricultural economy. For an industry that drives Oregon’s identity and economy—contributing billions annually and supporting thousands of jobs—this bill represents an unnecessary and poorly considered intervention.

First, HB 2548’s requirement that political subdivisions align their income tax policies with state statutory provisions strips local governments of the autonomy they need to tailor tax structures to their unique economic conditions. Oregon’s farms, especially small and mid-sized operations, often depend on local policies that account for seasonal income variability and the high costs of equipment, labor, and land. By forcing a one-size-fits-all approach, the bill could prevent counties from offering tax relief or incentives that help farmers weather volatile markets or natural disasters like drought and wildfire, both of which have hit Oregon hard in recent years. Without this flexibility, farms could face higher effective tax burdens, squeezing already thin profit margins.

Second, the repeal of metropolitan service districts’ authority to impose income taxes could destabilize funding for infrastructure and services that rural farms rely on indirectly. While metro districts like Portland’s Metro primarily serve urban areas, their tax revenues often support regional projects—such as transportation networks and water management systems—that benefit agricultural producers moving goods to market or managing irrigation. If these funds dry up, rural counties may need to raise property or other taxes to compensate, disproportionately affecting farm owners who already shoulder significant land-based tax obligations. This shift could increase operational costs for farmers, making it harder to compete with out-of-state producers.

Third, the bill’s retroactive application to ordinances not approved by voters before January 1, 2024, introduces uncertainty that could chill local economic planning. Farms operate on long-term cycles—planting, harvesting, and reinvesting—and need predictable tax environments to make informed decisions. By potentially invalidating or altering existing local tax measures, HB 2548 risks creating a chaotic patchwork of compliance requirements, forcing farmers to divert time and resources from production to navigating new tax rules. For family farms, which often lack the administrative capacity of larger agribusinesses, this added burden could push them toward insolvency.

Critics might argue that standardizing tax policies simplifies compliance and reduces loopholes. However, Oregon's diverse agricultural landscape—spanning dairy in Tillamook, hazelnuts in the Willamette Valley, and cattle in the east—demands flexibility, not rigidity. A dairy farmer facing nitrate pollution regulations in the Lower Umatilla Basin has different financial pressures than a hazelnut grower dealing with labor shortages. HB 2548 ignores these nuances, risking a policy that benefits urban taxpayers at the expense of rural producers.

The effect on Oregon farms could be dire: increased costs, reduced local support, and a competitive disadvantage in a global market. Small farms, already reeling from consolidation pressures and climate challenges, might shutter, ceding ground to industrial operations or out-of-state imports. This isn't just an economic issue—it's a cultural one. Oregon's farm heritage, from its family-run orchards to its organic pioneers, could erode under the weight of this shortsighted bill. Lawmakers, reject HB 2548 and prioritize policies that bolster, rather than burden, the state's agricultural backbone.