

House Bill 4130

Sponsored by Representatives BOSHART DAVIS, RESCHKE (Presession 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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would clarify what "preparing" farmland products and by-products means in the context of the tax break for land that is in "farm use." (Flesch Readability Score: 66.4).

Clarifies the meaning of "preparing" products or by-products raised for human or animal use on a farm unit for purposes of the definition of "farm use."

A BILL FOR AN ACT

Relating to farm use; amending ORS 308A.056.

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

SECTION 1. ORS 308A.056 is amended to read:

308A.056. (1) As used in ORS 308A.050 to 308A.128, "farm use" means the current employment of land for the primary purpose of obtaining a profit in money by:

(a) Raising, harvesting and selling crops.

(b) Feeding, breeding, managing or selling livestock, poultry, fur-bearing animals or honeybees or the produce thereof.

(c) Dairying and selling dairy products.

(d) Stabling or training equines, including but not limited to providing riding lessons, training clinics and schooling shows.

(e) Propagating, cultivating, maintaining or harvesting aquatic species and bird and animal species to the extent allowed by the rules adopted by the State Fish and Wildlife Commission.

(f) On-site constructing and maintaining equipment and facilities used for the activities described in this subsection.

(g)(A) Preparing, storing or disposing of[, *by marketing, donation to a local food bank or school or otherwise,*] the products or by-products raised for human or animal use on land described in this section.

(B) This paragraph applies to preparing products or by-products only if the products or by-products are:

(i) Raised on the farm unit where the preparation occurs; or

(ii) Raised on another farm unit provided the majority of the products or by-products prepared are raised on the farm unit where the preparation occurs.

(h) Implementing a remediation plan previously presented to the assessor for the county in which the land that is the subject of the plan is located.

(i) Using land described in this section for any other agricultural or horticultural use or animal husbandry or any combination thereof.

(2) "Farm use" does not include the use of land subject to timber and forestland taxation under ORS chapter 321, except land used exclusively for growing cultured Christmas trees or land de-

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.

scribed in ORS 321.267 (3) or 321.824 (3) (relating to land used to grow certain hardwood timber, including hybrid cottonwood).

(3) For purposes of this section, land is currently employed for farm use if the land is:

(a) Farmland, the operation or use of which is subject to any farm-related government program;

(b) Land lying fallow for one year as a normal and regular requirement of good agricultural husbandry;

(c) Land planted in orchards or other perennials, other than land specified in paragraph (d) of this subsection, prior to maturity;

(d) Land not in an exclusive farm use zone that has not been eligible for assessment at special farm use value in the year prior to planting the current crop and has been planted in orchards, cultured Christmas trees or vineyards for at least three years;

(e) Wasteland, in an exclusive farm use zone, dry or covered with water, neither economically tillable nor grazeable, lying in or adjacent to and in common ownership with farm use land and that is not currently being used for any economic farm use;

(f) Except for land under a single family dwelling, land under buildings supporting accepted farming practices, including the processing facilities allowed by ORS 215.255 and the processing of farm crops into biofuel as commercial activities in conjunction with farm use under ORS 215.213 (2)(c) and 215.283 (2)(a);

(g) Water impoundments lying in or adjacent to and in common ownership with farm use land;

(h) Any land constituting a woodlot, not to exceed 20 acres, contiguous to and owned by the owner of land specially valued for farm use even if the land constituting the woodlot is not utilized in conjunction with farm use;

(i) Land lying idle for no more than one year when the absence of farming activity is the result of the illness of the farmer or a member of the farmer's immediate family, including injury or infirmity, regardless of whether the illness results in death;

(j) Land described under ORS 321.267 (3) or 321.824 (3) (relating to land used to grow certain hardwood timber, including hybrid cottonwood);

(k) Land subject to a remediation plan previously presented to the assessor for the county in which the land that is the subject of the plan is located; or

(L) Land used for the processing of farm crops into biofuel, as defined in ORS 315.141, if:

(A) Only the crops of the landowner are being processed;

(B) The biofuel from all of the crops purchased for processing into biofuel is used on the farm of the landowner; or

(C) The landowner is custom processing crops **from other landowners in the area** into biofuel *[from other landowners in the area]* for *[their]* use or sale **by the other landowners**.

(4) As used in this section:

(a) "Accepted farming practice" means a mode of operation that is common to farms of a similar nature, necessary for the operation of these similar farms to obtain a profit in money and customarily utilized in conjunction with farm use.

(b) "Cultured Christmas trees" means trees:

(A) Grown on lands used exclusively for that purpose, capable of preparation by intensive cultivation methods such as plowing or turning over the soil;

(B) Of a marketable species;

(C) Managed to produce trees meeting U.S. No. 2 or better standards for Christmas trees as specified by the Agricultural Marketing Service of the United States Department of Agriculture; and

(D) Evidencing periodic maintenance practices of shearing for Douglas fir and pine species, weed and brush control and one or more of the following practices:

- (i) Basal pruning;
- (ii) Fertilizing;
- (iii) Insect and disease control;
- (iv) Stump culture;
- (v) Soil cultivation; or
- (vi) Irrigation.

(c) “Disposing of” includes such means as marketing and donation to a local food bank or school.

(d) “Farm unit” means a farming enterprise, including all parcels being farmed by a single operator, whether the operator owns or leases the farmland.

(e) “Preparing” products or by-products described in subsection (1)(g) of this section means but is not limited to cleaning, treating, cutting, sorting and packaging.
