

February 4, 2026

House Committee on Revenue  
Oregon State Capitol  
900 Court Street NE  
Salem, Oregon 97301

**Re: HB 4130 – Support**

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the committee,

Thank you for the opportunity to provide testimony on HB 4130. Central Oregon LandWatch (“LandWatch”) is a land use and conservation advocacy organization that, for more than 35 years, has protected Central Oregon’s farm and forest lands, rivers and springs, fish and wildlife, and vibrant communities. We work to conserve the region’s ecosystems, wildlife habitat, and working rural lands balanced with a responsible, sustainable approach to planning and fostering thriving communities.

**LandWatch supports HB 4130**, which would clarify that preparing products or by-products of farm activities qualifies as a “farm use,” in turn qualifying farmland owners for special property tax status.

The reduced special tax assessment levied on owners of farmland, whose land is actively in farm use, is a foundational pillar of Oregon’s vaunted land use planning program. The program recognizes that in order to preserve farmland, the state must restrict the uses allowed on farmland. To compensate landowners for that restriction, the state imposes a special tax assessment for farmland owners who are actively farming their land, which incentivizes farm use of farmland. It is estimated that this special tax assessment is the largest single public subsidy in the history of the state.<sup>1</sup>

HB 4130 clears up a lingering question about what type of farm activities constitute “farm use.” As part of their farm operation, many farmers prepare farm products and by-products on their farm. The bill defines “preparing” as including but not limited to “cleaning, treating, cutting, sorting and packaging.” These activities are part and parcel with the actual raising of crops and livestock and related farm uses. We support the bill’s clarification that these activities, when the preparation concerns farm products and byproducts the majority of which are raised on the same farm unit, are indeed a “farm use” qualifying landowners for special tax assessment.

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<sup>1</sup> Edward Sullivan & Ronald Eber, *The Long and Winding Road: Farmland Protection in Oregon 1961-2009*, 18 San Joaquin Agric. L. Rev. 15 (2009).





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We respectfully request you to vote in favor of this bill and pass it out of committee.

Regards,

Rory Isbell  
Staff Attorney & Rural Lands Program Director  
Central Oregon LandWatch



**We defend and plan for Central Oregon's livable future**