

HB 2971 A STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Beau Olen, Economist

Meeting Dates: 5/9

WHAT THE MEASURE DOES:

Adds in-stream water leasing as another reason farmland will not be disqualified from certain property tax special assessments and exemption. Requires final order approving in-stream lease issued by Oregon Water Resources Department to be sent to county assessor. Applies to property tax years beginning on or after July 1, 2024. Takes effect 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In the farmland special assessment program, which was enacted in 1967, land used exclusively for farming may be specially assessed at its value for farm use instead of its highest and best use value. Farmland value is based on the farmland's potential ability to generate farm income, based on soil quality and other factors. Farm activity must involve the use of the land for crops, livestock, poultry, fur bearing animals, honeybees, dairies, animal husbandry, aquatic species, or cultured Christmas trees. Farm use land may also include a woodlot of 20 acres or less, wasteland, land under farm buildings, and ponds. Farmland can also remain in the property tax special assessment program if it is being used for a conservation easement, deed restriction, or wildlife habitat conservation and management plan.

HB 2904 (2009 Legislative Session) expanded eligible farm use to include the implementation of a remediation plan to remediate or mitigate severe adverse conditions on farmland. Remediation plans are certified by the Oregon State University Extension Service.

HB 3280 (2011 Legislative Session) modified the authority for the establishment of a winery and for winery sales and services in an EFU.

HB 2788 (2013 Legislative Session) expanded eligible farm use to include the disposing of food by donation to a local food bank or school.