

SB 347 -1 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

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Meeting Dates: 1/27, 3/17

WHAT THE MEASURE DOES:

The measure disqualifies land from farmland tax reductions if the person owning or legally possessing or controlling the land grew marijuana illegally on that land or knew of the illegal activity and failed to notify law enforcement.

Detailed Summary

- Disqualifies land for ten years from special assessments for use of farmland if the landowner or holder received a final order of civil penalty or a final judgment of conviction for conduct constituting illegal marijuana growing on that land.
- Excepts a landowner or property tax payor that reasonably lacked knowledge of the illegal activity, or promptly notified law enforcement upon actual or constructive knowledge, or acquired the land after the illegal activity ended.
- Requires county courts, district attorneys and municipal authorities to notify the Oregon Liquor and Cannabis Commission, each county assessor having jurisdiction over the land, and the Department of Revenue of any such final orders or final judgments of conviction against persons licensed or required to be licensed for producing, processing or selling marijuana.
- Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: Revenue impact issued.

ISSUES DISCUSSED:

- Strain on law enforcement from illegal grows
- Intent to take away tax incentives, applied prospectively
- Intent to not include hemp crop that turns hot and is destroyed
- Burden of proof
- Whether reporting convictions would add administrative burden

EFFECT OF AMENDMENT:

-1 The amendment clarifies the disqualification date, deeming it to have occurred as of the January 1 assessment date in the earlier of: (a) the assessment year in which a civil penalty was imposed or (b) the assessment year in which a criminal complaint was filed that resulted in a final judgment of conviction.

BACKGROUND:

Farmland special assessments allow landowners to reduce their property taxes if the land is in an Exclusive Farm Use zone and used primarily to make a profit by farming, or if is not in an Exclusive Farm Use zone but is used exclusively for farming. The policy encourages farm use of land by reducing the value the land is taxed on (the assessed amount). If land is later disqualified from the special assessment, it is instead assessed at the lesser of its market value or maximum assessed value. Additional taxes may be assessed for the difference between the tax paid under the special assessment and what the tax would have been without the special assessment.