



House Committee on Judiciary

February 27, 2025

Oregon Farm Bureau OPPOSES House Bill 3194

Oregon Farm Bureau (“OFB”) is the state’s largest general agriculture organization, representing over 6500 family farms and ranches that produce more than 220 agricultural commodities. From hops and hazelnuts to cattle, industrial hemp, and timber with operations spanning from just a few acres to thousands, our members utilize all farming methods including organic, conventional, regenerative, biotech, and even no-tech.

OFB urges your **opposition to House Bill 3194**. We stand ready to work with the Legislature on appropriate solutions to disincentivize cartels from engaging in criminal activities on farmland Oregon, but HB 3194 misses the mark.

Renting farmland is common practice in Oregon.

Leasing land is common in Oregon for both livestock grazing and growing crops. Land for agricultural production is often acquired through purchase or by renting land from another producer or non-operating landowner. Many farmers and soon-to-be farmers depend on leased land as all or part of their business. This is especially true for **new and beginning farmers** who lack the capital needed to purchase farmland.¹

Leased farmland accounts for **nearly 30% of farmland** in the state according to the 2022 USDA Census of Agriculture. That number is low compared to the national average of 39% but still accounts for approximately **4.5 million acres of land in Oregon**.² In Oregon, there are generally two types of lease agreements: **cash rent** and **crop share**. For cash rent, the tenant pays a fixed amount of money per year to use the land and assumes the risk of price and production. For crop share lease agreements, the landowner receives a portion of the gross sales, and both the landowner and tenant share expenses and the risk of price and production. The cash rent model is most common in Oregon.

¹ <https://oregonfarmlink.org/>

² <https://extension.oregonstate.edu/business-economics/finance/stable-statewide-cash-rents-oregon-agricultural-land-mask-large-changes#:~:text=Per%20the%20most%20recent%20data,up%20to%20a%20few%20things.>

Leasing property keeps farmland in production. Landowners may be dependent on the rental for income. The average age of Oregon farmers and ranchers is over 58 years old.³ As these older farmers retire over the next few decades, a significant amount of Oregon’s agricultural land may pass on to new owners or be leased to other producers. Landowners may lease their property for numerous reasons: for income in retirement, to keep the land in agricultural production, or to maintain their farm use assessment. Oregon’s farm and ranch families have made generations of investments in the land and should not be disincentivized from earning a living.

HB 3194 creates substantial legal risk for landowners who lease their farmland.

HB 3194 modifies the Camp Operator Registration Act (“CORA”) and makes property owners **“jointly and severally” liable** for violations of laws governing farmworker camps by lessees or squatters. The use of CORA as an enforcement tool is inappropriate. CORA is the statutory mechanism by which farm employers register farmworker camps with Oregon OSHA (“OR-OSHA”). Farmworker camps are narrowly defined in statute and must comply with applicable health and safety regulations in order to be registered. OR-OSHA hosts a registry of housing subject to enforcement under CORA.⁴ There is a lot of expense and legal risk for employers who provide registered housing to farmworkers, and these operators know the regulations they must comply with to maintain their registration.

Ag labor housing is not a proxy for a cannabis operation, legal or otherwise. In Oregon, licensed cannabis farms and hemp operations do not typically house workers in registered farmworker camps. The federal H-2A visa program, which requires employers to provide worker housing, is unavailable due to the status of the crop. Workers employed in Oregon’s cannabis industry must be permitted by the **OLCC’s Marijuana Worker Permit**,⁵ and hemp handlers need a license from the Oregon Department of Agriculture.⁶ With these requirements, cannabis workers are most often domestic workers with their own homes and are not dependent on seasonal labor camps for temporary housing.

Still, HB 3194 makes **all landowners jointly liable** for any housing that fails to comply with CORA, not just illegal marijuana grows. As shared above, registered farmworker camps require significant investment and maintenance to comply with OR-OSHA’s health and safety regulations, which require a certain number of sinks, toilets, showers, outlets, stove burners, storage containers, and square feet *per occupant*. Landowners would have no reason to believe that a tenant would operate a farmworker camp, particularly if the property lacks the infrastructure required by Oregon law, yet they could still be held liable under HB 3194 if a violation is found. This **risk applies to all landowners**, not only land with **illegal marijuana plants on site**.

³ <https://extension.oregonstate.edu/business-economics/rural-development/oregon-agriculture-numbers-part-4-producer-characteristics>

⁴ <https://dcbs-reports.cbs.state.or.us/index.cfm?fuseaction=dir&ItemID=340>

⁵ <https://www.oregon.gov/olcc/marijuana/pages/mjworkerpermit.aspx>

⁶ <https://www.oregon.gov/oda/hemp/Pages/hemp-handlers.aspx>

The “defense” provided in Section 2(2) is not easily proven by landowners. Whether they live in or outside of Oregon, it would be near impossible to prove that a landowner “had no actual knowledge or reason to know [that a farmworker camp didn’t comply with the law],” especially without an attorney. Settlement negotiations often cost small businesses **at least \$75,000** before a case even reaches court. And if a legal claim proceeds, fees and potential damages can escalate to the point of **financial ruin—hundreds of thousands of dollars.** The mere **threat of a claim** under HB 3194 risks substantial financial burdens and will force many landowners to question whether it is a smart business decision to lease property in Oregon.

Not only does HB 3194 increase financial risk for farmers who lease their property to other producers, but it could **deter landowners from offering rental homes to workers.** In a recent legislative hearing, OR-OSHA argued that the agency has the authority to regulate all housing provided to farmworkers, even housing outside of the statutory definition of farmworker camp. Assuming that is the accurate interpretation of statute,⁷ any single-family home that is rented or provided to workers could put a landowner in violation of HB 3194. Many farms offer rental homes, often at below-market rate, to workers and their families—a foreman, supervisor, milker, etc. But under HB 3194, these homes, which are subject to landlord tenant law and not registered under CORA, could be deemed “illegal” and out of compliance with OR-OSHA regulations. Where does the liability start and stop under HB 3194?

Finally, OFB **opposes the change to the definition of “farmworker camp” in section 3—** farmworker camps are highly regulated, and we do not know the unintended consequences of adding “or permitted” to the definition. Also, section 4’s amendments to **“modernize” penalties under CORA deserve a separate conversation,** not one advanced under the umbrella of liability for landowners. Farm families currently face **hundreds of thousands** or even **millions of dollars** of compliance costs to conform with OR-OSHA’s January-adopted Division 4, Ag Labor Housing rules.⁸ Most will be unable to afford these rule changes in the three-year compliance period and will be forced to reduce the capacity of existing housing provided to workers to avoid penalties. Workers can already sue for actual damages under ORS 658.805 and are not limited to \$500 per violation. OFB does not believe it is necessary to increase penalties in Section 4—to damages *or \$2000* per violation—or to remove the injunction requirement. If proponents want a conversation about modifying penalties and enforcement of CORA, that conversation should happen with all stakeholders, including those who operate registered ag labor housing.

In conclusion, HB 3194’s mechanism is complicated, but as drafted, OFB believes it imposes undue liability on landowners and will ultimately disincentivize farm and forest

⁷ <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/127329>

⁸ <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/127780>

landowners from leasing property and associated rental housing. Under the common cash rent scenario, the tenant assumes full responsibility for the crops grown, the price, and the risk involved in farming. The landowner does not typically provide oversight of the property and may live hours away or out-of-state. But without round-the-clock management of the rented parcel, landowners could face costly legal claims for situations outside of their control (and not limited to illegal cannabis grown on their property). As drafted, HB 3194 would negatively impact the availability of farmland and workforce housing in Oregon.

OFB remains committed to working with the Legislature on workable solutions to disincentivize the cartel from operating on farm or forestland. We appreciate Representative Marsh's willingness to engage with stakeholders in a conversation about the mechanism in HB 3194 and look forward to additional conversations regarding this bill and other legislation this session with the same goal.

Oregon Farm Bureau requests your opposition to HB 3194.