



Senate Committee on Finance & Revenue

May 12, 2025

Oregon Farm Bureau SUPPORTS Senate Bill 347A

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 requests your support for Senate Bill 347. We stand ready to work with the Legislature on appropriate solutions to disincentivize cartels from engaging in criminal activities on farmland Oregon.

Identification of the right disincentive

OFB has been involved in numerous conversations this session to identify an appropriate disincentive for cartel-operated cannabis grows on private land in Oregon, specifically through deliberation of HB 3194 and SB 347.

HB 3194 would make all landowners jointly and severally liable for unregistered farmworker camps on their property. This bill is not tailored to illegal cannabis farms but instead punishes landowners when unregistered farmworker housing is found on the property (incl. apartments, single family rental homes, or manufactured homes). OFB does not believe that this concept will disincentivize the cartel from operating on property in Oregon, though many mom-and-pop landlords could find themselves sued for hundreds of thousands of dollars under HB 3194 if unregistered farmworker housing is found on their property.

SB 347, in contrast, is tailored to the stated problem. SB 347 provides a **10-year tax penalty to farmland owners who knowingly allow the cultivation of illegal cannabis** on farmlands in Oregon. It includes an affirmative defense to ensure that a landowner can retain their tax deferral if they lacked knowledge or took action to alert law enforcement of an illegal cannabis farm on their property.

The value of farm special assessment

Oregon’s family farms and ranches are often rich in assets (like land and equipment) but low in working capital. This situation, sometimes referred to as "**land rich, cash poor**," is a common challenge in agriculture, particularly for farms and ranches that have made significant investments in land and equipment/ buildings but face the unpredictability of

domestic and international markets and weather conditions. That is where the farm use special assessment comes in as a valuable tool to support the viability of local farms and ranches.

The farm use special assessment provides economic benefits to the state and family farms and ranches. It helps preserve farmland, which is critical to food security and local food systems and stimulates the local economy in more rural areas of the state. There are many advantages for farms as well. The tax deferral can lower the amount of property taxes farmers have to pay, giving them more cash flow for their operations and providing financial stability to help growers better weather economic downturns or poor yields. It also promotes business growth, as the freed-up cash flow can be used to expand operations, invest in new equipment, or improve efficiencies on the farm. The farm use deferral is critical to keeping farmland in production and families farming. It is particularly important as growers retire and rent out farmland to fund their retirement. The assessment ensures the viability of the farm, whether owner-operated or leased.

SB 347 recognizes the importance of the farm use deferral to farmland owners. Without it, many property owners would be unable to maintain their land and businesses. The bill provides a thoughtful mechanism to disincentivize landowners from taking payment from illegal cannabis growers by acknowledging the challenging economics that farm and ranch families face in Oregon.

How does it work?

SB 347 disqualifies farmland from farm use special assessments for 10 years 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. This penalty is a substantial cost to landowners and may come with back taxes.¹ The bill also provides an affirmative defense if the landowner or property tax payor:

- reasonably lacked knowledge of illegal activity, or
- promptly notified law enforcement upon actual or constructive knowledge, or
- acquired the land after the illegal activity ended.

OFB believes that SB 347 is appropriate disincentive for landowners who might otherwise consider allowing illegal operators to grow cannabis without a license on their property. The penalties in SB 347 are clearly outlined and tailored to the issue that was brought forward by the Douglas County Board of Commissioners.

OFB requests your support of SB 347A.

¹[https://www.co.marion.or.us/AO/Documents/FormsAndResources/FAQ.pdf#:~:text=A:%20In%20general%2C%20\\$100%20per%20acre%20with,depending%20on%20the%20size%20of%20the%20acreage.&text=In%20a%20Non%20DEFU%20zone%2C%20we%20calculate%20the,and%20payable%20on%20the%20next%20tax%20roll.](https://www.co.marion.or.us/AO/Documents/FormsAndResources/FAQ.pdf#:~:text=A:%20In%20general%2C%20$100%20per%20acre%20with,depending%20on%20the%20size%20of%20the%20acreage.&text=In%20a%20Non%20DEFU%20zone%2C%20we%20calculate%20the,and%20payable%20on%20the%20next%20tax%20roll.)