Enrolled
House Bill 4130

Sponsored by Representatives BOSHART DAVIS, RESCHKE, PHAM H; Representatives LEVY B, MCLAIN, OWENS, Senator MANNING JR (Presession filed.)

CHAPTER ....

AN ACT

Relating to farm use; creating new provisions; and amending ORS 308A.056, 308A.062 and 308A.077.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 308A.056 is amended to read:

308A.056. (1) As used in ORS 308A.050 to 308A.128, "farm use" means the current employment of land for the primary purpose of obtaining a profit in money by:

(a) Raising, harvesting and selling crops.

(b) Feeding, breeding, managing or selling livestock, poultry, fur-bearing animals or honeybees or the produce thereof.

(c) Dairying and selling dairy products.

(d) Stabling or training equines, including but not limited to providing riding lessons, training clinics and schooling shows.

(e) Propagating, cultivating, maintaining or harvesting aquatic species and bird and animal species to the extent allowed by the rules adopted by the State Fish and Wildlife Commission.

(f) On-site constructing and maintaining equipment and facilities used for the activities described in this subsection.

(g) Preparing, storing or disposing of, by marketing, donation to a local food bank or school or otherwise, the products or by-products raised for human or animal use on land described in this section.

(h) Implementing a remediation plan previously presented to the assessor for the county in which the land that is the subject of the plan is located.

(i) Using land described in this section for any other agricultural or horticultural use or animal husbandry or any combination thereof.

(2) "Farm use" does not include the use of land subject to timber and forestland taxation under ORS chapter 321, except land used exclusively for growing cultured Christmas trees or land described in ORS 321.267 (3) or 321.824 (3) (relating to land used to grow certain hardwood timber, including hybrid cottonwood).

(3) For purposes of this section, land is currently employed for farm use if the land is:

(a) Farmland, the operation or use of which is subject to any farm-related government program;

(b) Land lying fallow for one year as a normal and regular requirement of good agricultural husbandry;

(c) Land planted in orchards or other perennials, other than land specified in paragraph (d) of this subsection, prior to maturity;

(d) Land not in an exclusive farm use zone that has not been eligible for assessment at special farm use value in the year prior to planting the current crop and has been planted in orchards, cultured Christmas trees or vineyards for at least three years;

(e) Wasteland, in an exclusive farm use zone, dry or covered with water, neither economically tillable nor grazeable, lying in or adjacent to and in common ownership with farm use land and that is not currently being used for any economic farm use;

(f) Except for land under a single family dwelling, land under buildings supporting accepted farming practices[*, including the processing facilities allowed by ORS 215.255 and the processing of farm crops into biofuel as commercial activities in conjunction with farm use under ORS 215.213 (2)(c) and 215.283 (2)(a)*];

(g) Land under processing facilities, including adjacent land used in conjunction with the processing facility;

[*(g)*] **(h)** Water impoundments lying in or adjacent to and in common ownership with farm use land;

[*(h)*] **(i)** Any land constituting a woodlot, not to exceed 20 acres, contiguous to and owned by the owner of land specially valued for farm use even if the land constituting the woodlot is not utilized in conjunction with farm use;

[*(i)*] **(j)** Land lying idle for no more than one year when the absence of farming activity is the result of the illness of the farmer or a member of the farmer's immediate family, including injury or infirmity, regardless of whether the illness results in death;

[*(j)*] **(k)** Land described under ORS 321.267 (3) or 321.824 (3) (relating to land used to grow certain hardwood timber, including hybrid cottonwood);

[*(k)*] **(L)** Land subject to a remediation plan previously presented to the assessor for the county in which the land that is the subject of the plan is located; or

[*(L)*] **(m)** Land used for the processing of farm crops into biofuel, as defined in ORS 315.141, if:

(A) Only the crops of the landowner are being processed;

(B) The biofuel from all of the crops purchased for processing into biofuel is used on the farm of the landowner; or

(C) The landowner is custom processing crops into biofuel from other landowners in the area for their use or sale.

(4) As used in this section:

(a) "Accepted farming practice" means a mode of operation that is common to farms of a similar nature, necessary for the operation of these similar farms to obtain a profit in money and customarily utilized in conjunction with farm use.

(b) "Cultured Christmas trees" means trees:

(A) Grown on lands used exclusively for that purpose, capable of preparation by intensive cultivation methods such as plowing or turning over the soil;

(B) Of a marketable species;

(C) Managed to produce trees meeting U.S. No. 2 or better standards for Christmas trees as specified by the Agricultural Marketing Service of the United States Department of Agriculture; and

(D) Evidencing periodic maintenance practices of shearing for Douglas fir and pine species, weed and brush control and one or more of the following practices:

(i) Basal pruning;

(ii) Fertilizing;

(iii) Insect and disease control;

(iv) Stump culture;

(v) Soil cultivation; or

(vi) Irrigation.

(c) "Preparing" products or by-products described in subsection (1)(g) of this section includes but is not limited to cleaning, treating, cutting, pressing, sorting and packaging.

(d) "Processing facility" means:

(A) A facility for the processing of farm products as defined in ORS 215.255, whether or not located on land within a farm use zone and without regard to the amount of floor area dedicated to farm product processing; or

(B) A facility approved for the processing of farm crops into biofuel as commercial activities in conjunction with farm use as described in ORS 215.213 (2)(c) and 215.283 (2)(a).

SECTION 2. ORS 308A.062 is amended to read:

308A.062. (1) Any land that is within an exclusive farm use zone and that is used exclusively for farm use shall qualify for farm use special assessment under ORS 308A.050 to 308A.128, unless disqualified under other provisions of law.

(2) Whether farmland qualifies for special assessment under this section shall be determined as of January 1 of the assessment year. However, if land so qualified becomes disqualified prior to July 1 of the same assessment year, the land shall be valued under ORS 308.232, at its real market value as defined by law without regard to this section, and shall be assessed at its assessed value under ORS 308.146 or as otherwise provided by law. If the land becomes disqualified on or after July 1, the land shall continue to qualify for special assessment as provided in this section for the current tax year.

(3)(a) An owner of exclusive farm use land seeking special assessment for land employed in farm use as described in ORS 308A.056 (3)(g) must file an application with the county assessor on or before April 1 of the first assessment year for which the assessment is sought. The applicant must include any information as may reasonably be required to demonstrate that the exclusive farm use land for which the applicant seeks special assessment is under or used in conjunction with a processing facility as defined in ORS 308A.056.

(b) There shall be attached to each application the affidavit or affirmation of the applicant that the statements contained in the application are true.

SECTION 3. ORS 308A.077 is amended to read:

308A.077. (1) Any owner of nonexclusive farm use zone farmland entitled to special assessment under ORS 308A.068 must, to secure the assessment, [*make application therefor to*] **file an application with** the county assessor on or before April 1 of the first year in which the assessment is desired.

(2)(a)**(A)** The application shall be made upon forms prepared by the Department of Revenue and supplied by the county assessor and shall include any information as may reasonably be required to determine the entitlement of the applicant.

(B) An application seeking special assessment for nonexclusive farm use zone farmland employed in farm use as described in ORS 308A.056 (3)(g) must include information demonstrating that the facility meets the definition of a processing facility under ORS 308A.056.

(b) The application may be signed by any one of the following:

(A) The owner of the farmland who holds an estate therein in fee simple or for life.

(B) Any one of tenants in common or tenants by the entirety, holding an estate in the farmland in fee simple or for life.

(C) Any person of legal age, duly authorized in writing to sign an application on behalf of any person described in subparagraph (A) or (B) of this paragraph.

(D) The guardian or conservator of an owner, or the executor or administrator of an owner's estate.

(E) The purchaser of the fee simple or life estate of an owner under a contract of sale.

(c) The assessor or the deputy of the assessor may not approve an application signed by a person whose authority to sign is not a matter of public record unless there is filed with the assessor a true copy of the deed, contract of sale, power of attorney or other appropriate instrument evidencing the signer's interest or authority. When filed with the assessor only, such instrument shall not constitute a public record.

(3) There shall be attached to each application the affidavit or affirmation of the applicant that the statements contained [*therein*] **in the application** are true.

<u>**SECTION 4.**</u> **The amendments to ORS 308A.056, 308A.062 and 308A.077 by sections 1 to 3 of this 2026 Act apply to property tax years beginning on or after July 1, 2027.**

Passed by House March 3, 2026

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate March 6, 2026

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Rob Wagner, President of Senate

Received by Governor:

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Approved:

........................M.,..., 2026

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Tina Kotek, Governor

Filed in Office of Secretary of State:

........................M.,..., 2026

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Tobias Read, Secretary of State