

Farmland

The Legislative Assembly recognizes that agriculture and related land uses contribute significantly to Oregon's character and economy and is in the interest of all citizens of this state. Valuation of farm properties is based on agricultural production capability. Therefore, it is the declared intent of the Legislative Assembly that bona fide farm properties be assessed for ad valorem property tax purposes at a value that is exclusive of values attributable to urban influences or speculative purposes.

EFU

Exclusive farm use (EFU) zoned land qualifies for "farm use" special assessment provided the owner maintains an acceptable farm practice with the intent to make a profit as defined by ORS 308A.056. Landowners do not need to apply for land to be qualified and assessed as farm use. If disqualified from special assessment the potential additional tax can be calculated for up to 10 years.

Exclusive farm use zones are regulated by zoning and planning statutes and local zoning ordinances.

Allowable and conditional uses in an EFU zone are defined in ORS 215.213 or 215.283.

Non-EFU

Non-exclusive farm use (Non-EFU) land must also maintain an acceptable farm practice with the intent to make a profit as defined by ORS 308A.056. Additionally, Non-EFU landowners must file an application with the county assessor in the first year the property qualifies for special assessment. Each year after the initial application, the farm operation must meet minimum gross income requirements by responding to the assessor's request for an income questionnaire. As part of meeting the gross income requirements of an application or questionnaire, land owners should be informed that they must file a Schedule F or other appropriate income tax reporting annually for their farm operation as specified in ORS 308A.071(3) and (4). If disqualified from special assessment the potential additional tax can be calculated for up to 5 years.

Income requirement:

- For a farm unit of 6.5 acres or less is a minimum gross income of \$650.

- For a farm unit of 6.5 to 30 acres is a minimum gross income of \$100 per acre (example for a farm special assessment for 9.5 acres the minimum gross income is \$950).
- For a farm unit of more than 30 acres is a minimum gross income of \$3000.

Farm as defined ORS 308A056(1) means the current employment of land for the primary purpose of obtaining a profit in money.

Qualifying Practices

- Raising, harvesting, and selling crops;
- Feeding, breeding, management, and sale of, or the production of, livestock, poultry, fur-bearing animals, or honeybees;
- Dairying and selling dairy products;
- Stabling or training equines;
- Propagation, cultivation, maintenance, and harvesting of aquatic, bird, and animal species allowed by rules adopted by the State Fish and Wildlife Commission;
- On-site construction and maintenance of equipment and facilities used for qualifying farm activities;
- Preparation, storage, and disposal by marketing or otherwise, of the products or by-products raised on such land for human or animal use;
- Implementing a remediation plan to restore land to farm use;
- Any other agricultural or horticultural use, animal husbandry, or any combination thereof; or
- Growing cultured Christmas trees and hybrid hardwoods (cottonwoods) on cropland under intensive cultivation.

Disqualification of Farmland special assessments

- The potential additional tax (PAT) is calculated as the difference between the taxes that were assessed against the land and the taxes that would have been assessed against the land had the land not been specially assessed.
- The PAT for EFU is calculated for up to 10 years or Non-EFU 5 years, beginning with the last year the land was under special assessment and not exceeding the number of years the property has been in farm deferral.
- The PAT is like a lien in that it remains with the account but does not need to be paid immediately; it also does not accrue interest. (Please note, during sales or refinancing lenders usually require this to be paid)
- If the land is changed to use incompatible with returning to farming, the amount of the potential addition tax will be collected.

Following a disqualification any land that is no longer in a special assessment program will be based on market value as calculated under ORS 308.156.

Application Fee	\$75
Small Tract Late Filing Fee	Set by Statute
Request for Disqualification Fee	\$150
Request for Disqualification Estimate Fee	\$150

Supporting Documents

Informational Circular Assessment of Farmland in an Exclusive Farm-Use Zone (EFU) 58.89 KB

Informational Circular Assessment of Farmland NOT in an Exclusive Farm-Use Zone (Non-EFU) 55.76 KB

Non-EFU Special Assessment Application Fillable 293.07 KB

Non-EFU Income Questionnaire Fillable 284.06 KB

Request for Disqualification Estimate Form 122.34 KB

Request for Disqualification Form 122.29 KB