

Please review these **I N S T R U C T I O N S** before submitting your
Application for Special Farm-Use Assessment (Non-EFU Zoning)



Whether farmland qualifies for Special Farm-Use¹ Assessment shall be determined as of **January 1** of the assessment year. Additionally, such land **must meet certain standards to qualify:**

- AND** 1. You must file this application (and all required documentation²) with the Marion County Assessor's office on or before **April 1** of the first year you desire special assessment;
- AND** 2. The land must be currently used **exclusively** for farm use;
- AND** 3. The land also must have been used **exclusively** for farm use for the two previous years;
- AND** 4. The land must meet a specific income requirement³ in three of the five previous years.

¹ Farm Use means "the current employment of land for the primary purpose of obtaining a profit in money, " [ORS 308A.056] and such land must be "used in a manner that is reasonably designed and intended to obtain a profit in money by accepted farming practices." [OAR 150-308-1010]

² Please see the "Required Documentation" page.

³ Please see the FAQ's page for directions on how to calculate the income requirement for your property.

- Print your name(s), mailing address and phone number in the top left-hand box on Page 1.
- Then, complete the "**PRIMARY QUALIFICATION**" section. If you are not able to answer "Yes" to questions A and B, your land does not qualify for Special Farm-Use Assessment at this time.
- Now in the boxes below that, write the property ID/account number(s) or Map & Tax Lot number(s) of the property. Property account numbers can be found at the top of your tax statement, on the right-hand side. Or, for your convenience, you can obtain your account number(s) and/or Map and Tax Lot in any of these other ways: by calling our office at (503) 588-5049; by sending an e-mail to assessor@co.marion.or.us; or by visiting us on the Web at <http://apps.co.marion.or.us/PropertyRecords/>.
- Next, choose one (or both) of the two right-hand columns to list your acreage in. Use the first "acres" column if you are applying for Special Farm-Use Assessment for the first time. Use the second "acres" column if some of the property already has Special Farm-Use Assessment, and you are applying to include more acreage OR if you are "rolling over" any or all of your acreage from a different Special Assessment program.
- Continue on to the "**FARM USE AND INCOME**" section on Page 2. Please supply your answer(s) to all of the questions that apply to you. For questions that do NOT pertain to you, you may write "**N/A**" in the space provided.
- Please be sure the bottom of Page 2 is signed by a person **authorized** to do so. If you have a Power of Attorney to sign for a property owner, you must provide us a copy of that document. If you are the Personal Representative of a deceased owner's estate, you must provide us a copy of the document designating you as such.
- Next please move on to the section entitled "**REQUIRED DOCUMENTATION**" on the back of this page, and determine what sort of income proof you will need to provide us with. Be sure to supply **three** years' worth of income proof.
- This page and the "Answers to Frequently Asked Questions" page are yours to keep.
- Return page 1 & 2 to our office, along with proof of income by April 1st. Paperwork should be sent to:

Marion County Assessor
Attn: Rural Appraisal Section
P.O. Box 14500
Salem, OR 97309

Required Documentation

Beginning in 2020 all farming income must be reported to us on federal IRS forms.

- Schedule F – Profit or Loss From Farming
- Form 1099 Misc – Miscellaneous Income
- Schedule C – Profit or Loss from Business
- Schedule E – Supplemental Income and Loss
- Form 4835 – Farm Rental Income and Expenses
- Copy of current lease is required if your land is rented to a tenant farmer



Application for Special Farm-Use Assessment of Non-EFU Zoned Farmland

*Under Oregon Revised Statutes, Chapter 308A &
Oregon Administrative Rules, Chapter 150-308*

Submission deadline is April 1st

{DATE RECEIVED STAMP}



<p>Please PRINT your name(s) and mailing address: <i>(Applicants must have an ownership interest in the property)</i></p> <p>Phone number: _____</p>	<p style="text-align: center; font-size: small;">THIS SPACE FOR ASSESSOR'S USE ONLY</p> <p><input type="checkbox"/> Rollover <input type="checkbox"/> Adding _____ # acres</p> <p><input type="checkbox"/> Approved for _____ # acres</p> <p><input type="checkbox"/> Denied _____</p> <p>Appraiser # _____ Date _____</p> <p><input type="checkbox"/> SOIL CLASS INFORMATION ATTACHED ?</p> <p>Log # _____</p>
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PRIMARY QUALIFICATION QUESTIONS

- A) Is your land **currently** being used **exclusively** for farm use? _____
- B) Was your land used **exclusively** for farm use for the previous **two years**? _____
If you answered "NO" to A and/or B, please as your land does not qualify for Special Farm-Use Assessment at this time. You may call our office at (503) 588-5049 to discuss eligibility requirements.
- C) Was the crop **immature** for the previous three years or more? _____
 If yes, what year(s) was the crop planted? _____
- D) Is the crop **currently** still too **immature** to harvest? _____
 If yes, what is the first anticipated year of harvest? _____

Account Number(s) and/or Map & Tax Lots Include each property that you are applying to have Specially Assessed for Farm-Use <i>(attach additional application if necessary)</i>	<u>If this account is NOT currently receiving ANY special assessment:</u> How many acres are you applying to have placed in Special Farm-Use Assessment?	<u>If any portion of this account IS currently receiving Special Farm-Use Assessment:</u> How many additional acres are you applying to have Specially Assessed as Farm-Use? Include any acres that are rolling over from another program.
TOTAL (of each column) -->	acres	acres

FARM USE AND INCOME

Please describe what type(s) of farm products and/or services your land is currently being used for (regardless of who is farming your land): _____

Please indicate which **3 of the latest 5** calendar years you are reporting information about:

Carefully read each box below. Complete each number that applies to you.		20____	20____	20____
1.	If you farmed your own land, indicate how many total acres you farmed for each year you listed on the top right	acres	acres	acres
2.	Report how much money you earned from farming your own land (only) for each year you listed on the top right (no firewood sales)	\$	\$	\$
3.	If you farmed anyone else's land (in addition to your own), indicate how many of their acres you farmed for each year you listed on the top right	acres	acres	acres
4.	Report how much money you earned from farming someone else's land (only) for each year you listed on the top right	\$	\$	\$
5.	If someone else farmed any or all of your land, indicate how many total acres of your land they farmed for each year you listed at the top right	acres	acres	acres
6.	Report how much money you were paid by the farmer for each year you listed on the top right	\$	\$	\$
7.	Indicate if you were paid Cash Rent by the farmer, or if you had a Share Crop agreement for each year you listed on the top right (circle one)	Cash Rent Share Crop	Cash Rent Share Crop	Cash Rent Share Crop
8.	If you or your livestock consumed any farm products you grew on your land, report what the dollar value of the products would have been if you had sold them instead	\$	\$	\$
9.	If you reported \$ ZERO income for any or all of the years due your land being planted with an immature crop, please list the <i>type and age</i> of the crop for each year you listed on the top right (Example: Noble Xmas trees, 3 yrs old)	Crop: Age:	Crop: Age:	Crop: Age:

You may wish to refer to the "Required Documentation" page to determine the amount of farm income you are able to report.

I understand the requirements of this special assessment program, and agree to fulfill the duties necessary to retain this property's tax-deferred status, as outlined in the flyers: "Answers to Frequently Asked Questions (FAQ's)" and "Assessment of Farmland Not in an Exclusive Farm-Use Zone." I acknowledge that I am required to meet the minimum income requirements, and provide proof of such. I understand that failure to meet the income requirements or refusal to provide requested documentation will result in disqualification from this special assessment program, and computation and application of the Potential Additional Tax Liability. I further understand that failure to utilize or adequately farm this land using "accepted farming practices" will also result in disqualification from this special assessment program, and computation and application of the Potential Additional Tax Liability.

Owner Signature _____

Date _____

Owner Signature _____

Date _____

Answers to Frequently Asked Questions (FAQ's)

Non-EFU Zoned Farmland

I farm my own Non-EFU Zoned Farmland. What are the INCOME requirements for this? Oregon Revised Statute (O.R.S.) 308A.071 states that farmland or a farm parcel (not within an Exclusive Farm Use [EFU] zone) is **not** considered to be used exclusively for farm use **unless all** of the following prerequisites are met:

- [O.R.S. 308A.071(2)] – In three out of the five full calendar years immediately preceding the assessment date (January 1), the farmland or farm parcel was operated as part of a farm unit that has produced a gross income from farm uses in at least the following amount for a calendar year:

- A farm unit consisting of 6.5 acres or less. \$650
- A farm unit consisting of more than 6.5 ac but less than 30 ac. \$100 times the # of acres, including any fraction of an acre
- A farm unit consisting of 30 acres or more. \$3000

“**Farm Parcel**” means the contiguous land under the same ownership, whether assessed as one or more than one tax lot.” [O.R.S. 308A.071(7)(a)].

“**Farm Unit**” is defined as a farming enterprise, which includes all parcels being farmed by a single operator, whether the operator owns or leases the farmland [Oregon Administrative Rule 150-308-1010].

“**Gross Income**” [as used in O.R.S. 308A.071(7)(b), (A) and (B)] includes the value of any crop or livestock that is used by the owner personally or in the farming operation of the owner, but does **not** include:

- ◆ The value of any crop or livestock so used unless records accurately reflecting both value and use of the crop or livestock are kept by the owner in a manner consistent with generally accepted accounting principles, **and**
- ◆ The purchase price of the livestock.

- [O.R.S. 308A.071(3)] – Excise or income tax returns are filed with the Department of Revenue (D.O.R.) by the farmland owner or the operator of the farm unit that include a Schedule F and, if applicable, by the owner of the farm parcel that include a schedule or schedules showing rental income received by the owner of the farm parcel, during the years to which the income requirements of this section apply.

- [O.R.S. 308A.071(4)] – Upon request, a copy of the returns or the schedules of the returns showing the gross income received from farm use is furnished by the taxpayer to the county assessor.

- [O.R.S. 308A.071(5)] – The burden of proving the gross income of the farm unit for the years described (in the first bullet-point above) is upon the person claiming special assessment for the land.

I rent or lease my Non-EFU Zoned Farmland to someone else who farms it. What are the INCOME requirements for this? According to [O.R.S. 308A.071(2)(c) (A) and (B)], if a farm parcel is operated as part of a farm unit and the farmland of the farm unit is not all under the same ownership, the gross income requirements applicable to the farm parcel shall be as outlined above. In addition, the gross income from farm use of a farm parcel described under this paragraph must be at least:

- ◆ **One-half** of the gross income requirements, described in the first section above, that would be required if the farm parcel were the only farmland of the farm unit; **or**
- ◆ A Cash or net Share Crop rental of **one-quarter** of the gross income requirements, described in the first section above, that would be required if the farm parcel were the only farmland of the farm unit.

“**Net Share Crop rental**” means the value of any crop received by the owner of the farm parcel less any costs borne by the owner of the farm parcel [O.R.S. 308A.071(2)(c)(B)] .

What are the USE requirements for Non-EFU Zoned Farmland? O.R.S. 308A.068 states that any land that is not within an EFU zone but that is being used – and has been used for the preceding two years – exclusively for farm use shall only qualify for farm-use special assessment if it **also** meets the income requirements above. Whether farmland qualifies for special assessment shall be determined as of January 1 of the assessment year. Also, O.R.S. 308A.056(4)(a) specifies that the farm use activity needs to be in accordance with an “accepted farming practice” which is defined in part as “a mode of operation that is common to farms of a similar nature” (see the D.O.R. flyer, “*Assessment of Farmland Not in an Exclusive Farm-Use Zone*” for further details.)

What uses are NOT subject to the Income Test? O.R.S. 308A.056 defines **farm use** as “the current employment of land for the primary purpose of obtaining a profit in money.” (The D.O.R. flyer, “*Assessment of Farmland Not in an Exclusive Farm-Use Zone*” lists examples of qualifying farm use.) Land not currently employed or not employed for two years preceding the current assessment date can still qualify if it is:

- Farmland which is being operated or used subject to any farm-related government program;
- Land lying fallow (NOT idle) for one year as a normal and regular requirement of good agricultural husbandry;
- Land planted in orchards or other perennials, prior to maturity (other than land specified in the next bullet-point);
- Land (not in an EFU 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;

Uses NOT subject to the Income Test (continued)

- Homesites, defined by O.R.S. 308A.253(3) as land under dwellings used in conjunction with the farm use of non-EFU zoned farmland (requires annual application and certain income requirements to qualify);
- Water impoundments lying in or adjacent to and in common ownership with farm use land;
- 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 used in conjunction with farm use;
- 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 (requires written verification from a Medical Provider).

*** Please note that this list represents only a portion of possible exceptions – for the complete list, refer to O.R.S. 308A.056(3). ***

What can cause Non-EFU Zoned Farmland to no longer qualify for special assessment? Here are some examples from O.R.S. 308A.116(1):

- The discovery that the land is no longer in farm use;
- The discovery that the land is no longer in farm use (because of) failure to meet the income requirements;
- The act of recording a subdivision plat under the provisions of O.R.S. Chapter 92;
- Notification by the taxpayer to the assessor to remove the special assessment.

What happens when Non-EFU Zoned Farmland loses its eligibility to receive special farm-use assessment? Part of the answer depends on *what event* caused the land to lose its specially assessed status.

- Upon the discovery that the land is no longer in farm use:
 - ◊ O.R.S. 308A.116(1)(c) specifies that Non-EFU zoned farmland shall be **disqualified**, and directs the assessor to remove the special assessment. The land will then be assessed at market value. Following the process under O.R.S. 308A.703, a maximum of five years of additional taxes shall be calculated. The additional taxes may not be imposed and shall remain a potential liability if the land is NOT being used as farmland and NOT being used for industrial, commercial, residential or other use that is incompatible with a purpose to return the land to farm use [O.R.S. 308A.706].
- Upon the discovery that the land is no longer in farm use for failure to meet the income requirements:
 - ◊ O.R.S. 308A.116(1)(c) specifies that Non-EFU zoned farmland shall be **disqualified**, and directs the assessor to remove the special assessment. The land will then be assessed at market value. Following the process under O.R.S. 308A.703, a maximum of five years of additional taxes shall be calculated. The additional taxes may not be imposed and shall remain a potential liability if the land is NOT being used as farmland and NOT being used for industrial, commercial, residential or other use that is incompatible with a purpose to return the land to farm use [O.R.S. 308A.706]. If the land is still being used as farmland, then as the limited use is continued and completed each year, additional taxes are **abated** on the basis of an abatement of one year's additional tax for each year of limited use [O.R.S. 308A.119]. Contact our office for further details.
- Upon the act of recording a subdivision plat under the provisions of O.R.S. Chapter 92:
 - ◊ O.R.S. 308A.116(1)(d) specifies that Non-EFU zoned farmland shall be **disqualified**, and directs the assessor to remove the special assessment. The land will then be assessed at market value. Following the process under O.R.S. 308A.703, a maximum of five years of additional taxes shall be calculated. The additional tax shall be added to the tax extended against the land on the next assessment tax roll for collection.
- Upon notification by the taxpayer to the assessor to remove the special assessment:
 - ◊ O.R.S. 308A.116(1)(a) specifies that Non-EFU zoned farmland shall be **disqualified**, and directs the assessor to remove the special assessment. The land will then be assessed at market value. Following the process under O.R.S. 308A.703, a maximum of five years of additional taxes shall be calculated. The taxpayer has the option of having the additional taxes extended to the next available tax roll for payment, OR having them remain a potential additional tax liability as long as the use of the land does NOT change to a use that is incompatible with a purpose to return the land to farm use [O.R.S. 308A.706].



CONTACT THE MARION COUNTY ASSESSOR'S OFFICE FOR FURTHER INFORMATION, INCLUDING:

- ~ farmland special-use assessment for wasteland or land under farm use dwellings ~
- ~ more details about the process of disqualification from farm use ~
- ~ abatement of taxes ~ potential additional tax liability vs. additional taxes ~

For a copy of the D.O.R. information circular: "Assessment of Farmland Not in an Exclusive Farm-Use Zone" visit www.oregon.gov/DOR/forms to obtain Publication number 150-303-645 or ask us for a copy. Also visit our website at www.co.marion.or.us/ao.