

Marion County

OREGON

ASSESSOR'S OFFICE

To Farm or Not to Farm

Special assessments are intended to make farming and/or forestry more economically feasible. If your land is primarily employed in a qualifying farm use, this special assessment status is available for the portions of land contributing toward *making a profit in money* from these activities.

Some farm properties include a dwelling, while others do not. Each parcel with a dwelling is assigned a one acre homesite that is not specially assessed which reflects various residential elements such as landscaping, decks/patios, parking areas, sports courts, play structures and other items not related to farm production. Some properties have more than one acre dedicated to non-farm related activities, and these areas also do not qualify for special assessment status.

If your intention is to actively engage your property in a qualifying farm use, taking advantage of special assessments can be very helpful. Some property owners, however, are more interested in having a few acres out-of-town than actually engaging in farming activities, but they wish to take advantage of special assessment benefits. This is an option, but it usually requires additional expenses for items such as fencing, veterinary bills, feed, weed control, planting, harvesting or irrigation, to name a few.

In many cases, the requirements necessary to qualify property for special assessment status may have associated costs which can exceed any related savings. This is especially true of smaller tracts which are only a few acres in size. Larger tracts usually receive a much greater benefit from special assessment since a larger number of acres are affected.

In addition, property receiving special assessment status must be reviewed regularly in order to maintain this status. This means that there are requirements which must be met each year, depending upon zoning and special assessment type. Portions of property not actively engaged in a qualifying farm application are required to be disqualified from special assessment status; however they may be re-qualified at a later time if they become compliant once again. Properties not zoned EFU, (Exclusive Farm Use) may need to re-establish and maintain income requirements.

Disqualified property will carry with it a "potential tax liability" which represents the difference between taxes collected under special assessment and what would have been collected, (over a five to ten year period, depending upon the special assessment type) had the property not been specially assessed. This amount will not be collected unless the property is altered in such a way that it could not be returned to a qualifying farm use (such as converting the land to a residential subdivision). Property owners who bring their land back into compliance will not be liable for the additional taxes.

It is the responsibility of each property owner to decide whether or not the benefit of special assessment status will justify the requirements necessary to comply and to maintain compliance with applicable programs. If you have any questions about special assessment, please do not hesitate to contact our office. (503) 588-5049