

# FARMER ASKS 2017



## FARMERS ARE HOPING FOR ADDITIONAL TAX AND PROGRAM SUBSIDIES

**In addition to their current more than \$550 million a biennium in tax breaks of various kinds, the Ag and Watershed Enhancement budgets and POPS, university departments, etc., farmers have at least 17 bills aimed at them this session.**

- Tax Credit for utilities, services and insurance for farmworker housing is added to the current 50% tax credit to construct or re-hab farmworker housing available since 1989. SB 1
- \$3 m of GF money for wine crop promotion and research. Doubles money available each year, but instead of doubling in current taxes directed to Wine Board for this purpose, takes money from the local jurisdictions and GF. [SB 316](#)
- No property taxes on food processing machinery and equipment for producing cannabinoid edibles, alcoholic beverages and alcoholic liquors. HB 2151
- Refundable TC for renting to a beginning farmer, can be own child, no cap on cost or size of rented operation or cap on tax credit cost. Renters asset cap. TC for 10-15% of rental income. HB 2085
- Increases tax credit for farmers who donate crops from 15 to 50% Note: farmers will also have subtracted from their income all the costs of growing, harvesting and delivering the crop. SB 617
- Department of Education to coordinate with Oregon FFA Association to increase student achievement and improve college attendance and career placement for students enrolled in agricultural education courses. Grant program to support public school school year and summer agricultural programs. HB 2382
- Four year pilot study replacing noxious weeds with good plans to study ways to strengthen the statewide effort. SB 814 & HB 2535
- Creates Oregon Independent Science Review. Board in the Institute for Natural Resources at OSU. SB 198

**Water Resources Concepts Include:**

- Water Resources Department \$2 m of bond proceeds for feasibility grants, water basin studies and \$30 m for grants for 80% of cost and loans for up to 20% of cost for water infrastructure along with a 9% increase in the department’s budget. 85% of water is used by farmers.
- HB 2097 Establishes six study areas – for economic development, people and stream flows – no money in the bill. Committee bill:
- HB 2705 Requiring water appropriators to measure amount used and report measurements to Water Resources Department; public financial support of measurement is acceptable, but not in the bill. Required for new water after date of bill, and all water after 2020.
- HB 2706 Imposing \$100 annual management fee on each primary or supplemental water right; capped at \$2500 per owner of wells.
- HB 2707 appropriating moneys from General Fund to Water Resources Department for ground water studies, investigations, and analysis.
- HB 2132 expands purposes for which improvements may be made under local government financing program to include water efficiency, energy storage, vehicle charging stations.

-----**We’ve not yet seen a bill for either of these bill concepts**-----

- The Oregon Watershed Enhancement Board has a funding request for \$4.25 m "Oregon Heritage Farms" \$4.25 for farmer transition, to purchase conservation easements in order to provide income for older farmers and keep farmland for farming.
- Counseling for transition planning—perhaps because there’s a 10-15% tax break for this in HB 2085

## **Governor's Budget**

Water Resources Department (pg 182 of the Governor's Budget), gives the department a 9% increase in funding, for 175 positions. An additional groundwater basin study team, and five field staff (8.56 new FTE) to improve management and distribution of water resources in the near term.

The budget says it increases fees, but there is no significant increase in Other Funds, only \$74,253,832 to \$74,271,553.

Instead, the General Fund/Lottery Funds see increased commitments, whose combined total increases \$8,736,325 to \$42,433,371. That \$42 million is worth nearly two days of school.

Additionally, the Governor suggests lottery bonding commitments of \$32 million, to fund feasibility GRANTS to help communities determine whether a water project is feasible (\$2m), and the Water Supply Fund (\$30m) to finance one or more water resource projects having economic, environmental and community benefits, with up to 80% of the cost covered with GRANTS, and 20% with community assets or loans from the fund.

Paying off the \$32 in bonds for the next 20-30 years will reduce funding for schools, etc. by roughly \$54 m.

*We read the bills and follow the money*

