

# Tax relief proposed for urban farms

## Legislation would reduce property taxes

By MATEUSZ PERKOWSKI  
Capital Press

SALEM — Farmers who raise crops or livestock in urban areas could obtain property tax relief under an Oregon bill that would create urban agriculture incentive zones.

Supporters of House Bill 2723 say that urban farmers improve food security and teach city dwellers about agriculture but face a high property tax burden.

The legislation would allow cities and counties to designate zones where undeveloped land is subject to lower property tax rates so long as it's used for agriculture for a minimum of five years.

Farmland in urban areas already qualifies for deferred property taxes, but HB 2723 creates a new system in which growers could benefit from lower rates right away, rather than in the third year of farming as currently required, said Ivan Maluski, policy director of the Friends of Family Farmers group.

Also, growers would not have to pay back taxes under the new program if they decide to stop producing crops or livestock after five years, he said.

Maluski said the bill encountered some concerns about enforceability and land use implications, which are addressed in a proposed amendment.

The revised language clarifies that HB 2723 only relates to property taxes and doesn't affect the inventory of land available for development within urban growth boundaries, he said.

The amendment also lays out "checks and balances" that specify how local governments will assess properties that take advantage of the urban agriculture incentive zones, Ma-



Developer Eric Olsen examines crops growing on a parcel of land designated as a "village farm" for the neighborhood he built in Monmouth, Ore. The Oregon Legislature is considering a bill that would provide tax relief to urban farms.

luski said. If only a portion of a property is used for farming, the special assessment would only apply to that area under the bill.

The Oregon Farm Bureau's main concern with the bill is that it not undermine the existing property tax deferral system for farmland, said Mary Anne Nash, public policy counsel for the group, during an April 7 hearing on the bill.

Because the urban agriculture incentive zone idea is novel, the program should be subject to a sunset in roughly five to six years so that lawmakers can evaluate how it's performing, she said.

Jon Chandler, CEO of the Oregon Home Builders Association, said he would like for cities to consider such urban farms when calculating how much land to include in their urban growth boundaries.

Cities should be able to take into

account how much time urban farms have taken advantage of the tax incentives — for example, a property that's been in the program for 15 years may be unlikely to be converted to another use, he said.

Nash of ORB said that she found that concept "troubling" because such urban farms should not create additional pressure to expand urban growth boundaries.

In that situation, an urban farm may simply displace a rural farm, she said.

Rep. Brian Clem, D-Salem, said the bill contains a "natural check" on how much the program would actually be used, since cities and counties are unlikely to forgo tax revenue and landowners seldom want to give up the opportunity to develop their property.

Urban farming is growing in prominence, said Vic Gilliam, R-Silverton, who sponsored the HB 2723 along with Clem.

# Oregon lawmakers seek federal tax code change for legal pot

PORTLAND (AP) — Two members of Oregon's congressional delegation plan to introduce bills that would allow marijuana businesses operating in compliance with state law to take federal deductions on taxes like other small businesses.

U.S. Sen. Ron Wyden and Congressman Earl Blumenauer say the legislation would alter a section of the federal tax code that prohibits anyone selling controlled substances from getting tax breaks. At a press conference on Thursday, the two legislators said they would introduce the bills next week.

Marijuana possession, sale and cultivation continue to be offenses under federal law.

Congress prohibited anyone selling controlled substances from getting tax breaks in 1982, after a drug dealer claimed his yacht and weapon purchases as legitimate business expenses.

But Wyden and Blumenauer said times have changed, and federal law hasn't caught up.

Last fall, Oregon joined Colorado, Washington state and Alaska and made pot legal for anyone over 21 to grow, buy and possess. Oregon is also one of more than

20 states to allow the use of medical marijuana, which in many cases is sold through dispensaries.

"This is about having equitable treatment for legitimate businesses and putting them on an equal footing," Blumenauer said.

The bill likely faces an uphill battle. The Republican-led Congress has largely opposed marijuana legislation, and President Obama, at a town hall in Jamaica, said: "I do not foresee anytime soon Congress changing the law at a national basis."

There are over 200 medical marijuana dispensaries

in Oregon. Recreational possession and growing will start in July, while retail sales are not expected to start until next year.

Wyden and Blumenauer said the IRS rules are unfair and burdensome to marijuana business owners, who face tax rates of 70 to 90 percent. Many illegally take the deductions, or go out of business, they said.

"It drives so many people away from legal business and into the underground," said Shane McKee, co-founder of Shango Premium Cannabis dispensary in Portland. "It makes many businesses unable to operate."

## BRIEFLY

### Audit confirms budget shortfall at ODFW

SALEM (AP) — A state audit confirms that hunting and fishing license fees are not keeping up with the rising revenue demands at the Oregon Department of Fish and Wildlife.

The Secretary of State's Office released the audit Thursday.

It notes that hunting and fishing licenses account for most of the department's revenues, and the numbers of people buying them have been declining since the 1970s.

Meanwhile, the department's workload has been growing to deal with the impacts of a growing population on fish and wildlife habitat. And the state's fish hatcheries are at risk from deferred maintenance.

Department director Curt Melcher welcomed confirmation of the department's revenue problems, and noted that there are three bills in the Legislature to deal with the issue, including one raising fees for licenses and tags.

### Google to spend \$600M to expand Dales data center

PORTLAND (AP) — Google is expanding its presence in Oregon.

This week, the company will open a new data center in The Dalles. The 164,000-square-foot building nearly doubles the size of the company's current data center in that town, the *Oregonian* reports.

The cost of the new facility: \$600 million.

Google's first server farm in The Dalles opened in 2006. The company was drawn to Oregon by cheap power and favorable tax breaks. The state has no

sales tax, and special enterprise zones exempt the data center's computers from local property taxes.

Still, Google paid \$1.2 million to the city, Wasco County and the local school district when it won the tax deal in 2013 for the new data center.

About 175 people work in Google's data center in The Dalles, according to the city, including 90 contractors.

The company also announced this week it has leased a new office in downtown Portland to replace its previous one.

Google did not say how many people would work in the 15,000-square-foot space. The company has about 20 employees in Portland, but said it has no immediate plans to expand there.

The company first opened an office in Portland in 2010, when it bought a small Tualatin company called Instantiations.

Google says the Portland lease is unrelated to ongoing considerations to bring Google Fiber's Internet service to Portland.

### House passes Memorial Highway bill

SALEM (AP) — The Oregon House has unanimously approved a bill to designate a section of Oregon Highway 7 near Baker City as Mabry Anders Memorial Highway.

Republican Rep. Cliff Bentz of Ontario introduced House Bill 2981 to honor the 21-year-old Baker City soldier who was killed in Afghanistan in 2012.

The *Baker City Herald* reports that the section of highway is between Baker City and Phillips Reservoir.

The bill now moves to the state Senate, where it is expected to pass unanimously.

## Corrections

The Wed. April 8 *East Oregonian* front page story "Statue decorations banned" was missing an important word in the second paragraph. Decorations are banned in the city, but statues are not. The *EO* regrets the error. If you notice a mistake in the paper, please call 541-966-0818.

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## AccuWeather.com Forecast

TODAY	SATURDAY	SUNDAY	MONDAY	TUESDAY
Sunshine mixing with some clouds	Cooler with a couple of showers	Some sun	Mostly cloudy	Windy and cooler with a shower

### PENDLETON TEMPERATURE FORECAST

67°	47°	55°	35°	60°	39°	64°	39°	55°	34°
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### HERMISTON TEMPERATURE FORECAST

70°	45°	59°	35°	63°	36°	67°	40°	60°	34°
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### ALMANAC

**PENDLETON**  
through 3 p.m. yesterday

TEMPERATURE	HIGH	LOW
Yesterday	61°	36°
Normals	60°	38°
Records	89° (1925)	27° (2010)

**PRECIPITATION**  
24 hours ending 3 p.m. 0.01"  
Month to date 0.23"  
Normal month to date 0.40"  
Year to date 2.97"  
Last year to date 4.82"  
Normal year to date 4.36"

**HERMISTON**  
through 3 p.m. yesterday

TEMPERATURE	HIGH	LOW
Yesterday	63°	33°
Normals	63°	39°
Records	81° (1960)	24° (1959)

**PRECIPITATION**  
24 hours ending 3 p.m. 0.00"  
Month to date 0.26"  
Normal month to date 0.21"  
Year to date 1.78"  
Last year to date 2.81"  
Normal year to date 3.32"

**SUN AND MOON**  
Sunrise today 6:19 a.m.  
Sunset tonight 7:35 p.m.  
Moonrise today 12:51 a.m.  
Moonset today 10:33 a.m.

Last	New	First	Full
Apr 11	Apr 18	Apr 25	May 3

### REGIONAL FORECAST

Coastal Oregon: A little rain across the north this afternoon; partly sunny elsewhere.

Eastern and Central Oregon: Sunshine mixing with some clouds today; pleasant in the south.

Western Washington: A little rain; some sun this afternoon, then turning cloudy across the south.

Eastern Washington: Sunshine and some clouds today. Periods of rain tonight. A couple of showers tomorrow.

Cascades: Sun and some clouds today. Cloudy tonight; periods of rain, but dry in the south.

Northern California: Low clouds followed by sunshine at the coast today; mostly sunny elsewhere.

### REGIONAL CITIES

	Today			Sat.		
	Hi	Lo	W	Hi	Lo	W
Astoria	55	42	r	53	40	sh
Baker City	66	38	s	52	23	sh
Bend	62	35	pc	49	23	sh
Brookings	55	45	pc	54	42	sh
Burns	64	36	s	54	21	sh
Enterprise	61	38	s	46	25	sh
Eugene	61	45	pc	57	35	sh
Heppner	67	43	pc	52	30	sh
Hermiston	70	45	pc	59	35	sh
John Day	65	40	s	49	27	sh
Klamath Falls	60	34	s	52	24	sh
La Grande	66	42	s	50	30	sh
Meacham	61	37	s	45	26	sh
Medford	68	45	pc	57	36	sh
Newport	54	44	pc	52	38	sh
North Bend	57	48	pc	54	40	r
Ontario	70	44	pc	63	31	sh
Pasco	71	49	pc	61	38	pc
Pendleton	67	47	s	55	35	sh
Portland	63	45	pc	55	40	sh
Redmond	64	35	pc	52	22	sh
Salem	61	45	pc	56	37	sh
Spokane	62	42	pc	52	32	sh
Ukiah	64	39	s	46	26	sh
Vancouver	62	46	pc	55	40	sh
Walla Walla	69	49	s	57	39	sh
Yakima	68	41	pc	59	31	pc

### WORLD CITIES

	Today			Sat.		
	Hi	Lo	W	Hi	Lo	W
Beijing	70	47	pc	70	44	pc
Hong Kong	74	65	c	72	65	r
Jerusalem	56	43	pc	52	44	r
London	68	49	pc	56	41	sh
Mexico City	78	53	pc	75	53	pc
Moscow	50	37	pc	56	31	s
Paris	69	49	pc	60	45	pc
Rome	62	44	s	62	46	pc
Seoul	64	38	s	66	41	s
Sydney	70	59	sh	72	60	pc
Tokyo	54	50	r	58	50	r

### WINDS

(in mph)	Today	Saturday
Boardman	WSW 6-12	WSW 15-25
Pendleton	W 6-12	W 20-30

### UV INDEX TODAY

1	3	5	5	3	1
8 a.m.	10 a.m.	Noon	2 p.m.	4 p.m.	6 p.m.

0-2, Low 3-5, Moderate 6-7, High; 8-10, Very High; 11+, Extreme

The higher the AccuWeather.com UV Index™ number, the greater the need for eye and skin protection.

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### NATIONAL WEATHER TODAY

Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day.

### National Summary:

Showers and locally severe thunderstorms will affect the Deep South and Atlantic Seaboard today. Spotty snow is in store for the upper Great Lakes. Clouds and showers will approach the coastal Northwest.

### Yesterday's National Extremes:

(for the 48 contiguous states)  
High 93° in Carrizo Springs, Texas  
Low 11° in Sunset Crater, Ariz.

### NATIONAL CITIES

	Today			Sat.		
	Hi	Lo	W	Hi	Lo	W
Albuquerque	73	44	s	76	46	s
Atlanta	77	55	t	78	56	pc
Atlanta City	64	48	t	58	42	s
Baltimore	76	46	t	65	36	s
Billings	63	41	pc	67	37	pc
Birmingham	73	52	t	72	50	s
Boise	68	45	s	68	34	sh
Boston	56	46	c	57	39	pc
Charleston, SC	85	63	pc	77	54	t
Charleston, WV	67	43	t	62	38	s
Chicago	61	36	pc	63	43	s
Cleveland	59	36	pc	52	38	s
Dallas	73	58	pc	74	64	t
Denver	64	36	pc	72	40	pc
Detroit	59	33	c	59	36	s
El Paso	83	55	s	84	54	s
Fairbanks	45	27	c	40	25	c
Fargo	56	32	s	71	50	pc
Honolulu	82	68	s	81	69	sh
Houston	76	67	t	77	68	t
Indianapolis	64	38	s	62	41	s
Jacksonville	88	63	pc	81	63	t
Kansas City	68	43	s	70	52	pc
Las Vegas	78	53	pc	81	56	s
Little Rock	72	48	s	75	57	pc
Los Angeles	70	55	pc	73	56	pc
Louisville	67	42	pc	67	45	s
Miami	70	49	pc	75	55	pc
Miami	86	75				