

CHAPTER 165

AN ACT

HB 3239

Relating to the Beginning and Expanding Farmer Loan Program; amending ORS 285A.420 and 285A.422; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 285A.420 is amended to read: 285A.420. (1) The Legislative Assembly finds that the demand in Oregon for local food is surging, that the interest in farming among younger generations is on the rise and that access to capital is one of the most important factors contributing to the development and success of a local market agricultural sector in the Oregon economy.

(2) The Legislative Assembly also finds that the establishment and implementation of a federal-state, public-private partnership program to assist beginning farmers is a cost-effective way for Oregon to support beginning farmers and the growth of the local market agricultural sector across this state and to stabilize the agricultural workforce. Such a program would represent no cost or risk to the state and would allow [*private*] **participating** lenders to earn federally tax exempt interest income on loans to eligible beginning farmers.

SECTION 2. ORS 285A.422 is amended to read: 285A.422. As used in ORS 285A.420 to 285A.435:

(1) "Agricultural improvements" means any improvements, buildings, structures or fixtures suitable for use in farming that are located on agricultural land.

(2) "Agricultural land" means land located in this state that is suitable for use in farming and that is or will be operated as a farm.

(3) "Agricultural project" means agricultural improvements, agricultural land or depreciable agricultural property.

(4) "Beginning farmer" means a person, as defined by the Oregon Business Development Department by rule.

(5) "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code, including but not limited to farm machinery and trucks but not including feeder livestock, seed, feed, fertilizer and other types of inventory or supplies.

(6) "Eligible revenue" means the revenue or assets of an eligible agricultural project that are provided as security for a loan under ORS 285A.420 to 285A.435 by a beginning farmer, an agent of the beginning farmer or a related party to the beginning farmer.

(7) "Lender" means **a person or entity authorized to make loans to beginning farmers pursuant to ORS 285A.420 to 285A.435, that is one of the following:**

(a) An insured institution, as defined in ORS 706.008, that is authorized to do business in Oregon [*or another person authorized to make loans to beginning farmers pursuant to ORS 285A.420 to 285A.435*];

(b) **A person selling agricultural land to a beginning farmer pursuant to an owner-financed agreement or sales contract;**

(c) **An institution organized and existing under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.); and**

(d) **Other persons or entities as defined by rule adopted by the Oregon Business Development Department.**

SECTION 3. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Approved by the Governor May 26, 2015

Filed in the office of Secretary of State May 28, 2015

Effective date May 26, 2015