Frequently Asked Questions for Special Assessment

For more information, please contact the Marion County Assessor's office at (503) 588-5049.

Q: When I buy a property with a Potential Additional Tax Liability ("PAT LIAB" notation) on it, who has to pay it?
A: The liability goes with the land and not the owner, but Oregon law does not require it to be paid off unless the use of the land changes to something incompatible with returning it to farming, such as developing it for residential, commercial or industrial use. If the interested parties do not want the land to be encumbered, the buyer and seller may negotiate a payoff between themselves if they wish.

Q: What is the Oregon Revised Statute that states the Potential Additional Tax Liability can remain on the property and is not due and payable?
A: ORS 308A.706(1)

Q: Does the amount of Potential Additional Tax Liability ever change?
A: No, it does not accumulate interest charges and will remain the same amount indefinitely.

Q: What happens to the Potential Additional Tax Liability if the property is put back into special assessment?
A: It is not forgiven or forgotten, but is set aside and simply ceases to be reflected on the legal description as a potential lien. The notation only exists for acreage that has been disqualified (removed) from special assessment. New liability continues to accrue for every year a property is specially assessed.

Q: If I decide not to farm the specially assessed property, what happens?
A: If farming ceases, the property will be disqualified (removed) from special assessment. It will then begin to be assessed and taxed at its real market value. In addition, the last 5 or 10 years (maximum) of deferred taxes will be calculated and that amount will be applied to the property as a Potential Additional Tax Liability.

Q: How can I find out the amount of "back taxes" owing?
A: You can order an Informational report, which costs $75 per taxlot and takes about a week to prepare. If the property is then disqualified within 90 days of your request, the $75 will be applied as a credit to the deferred amount.

Q: How do I keep a property in farm deferral?
A: Farm use is defined as the current employment of the land for the primary purpose of obtaining a profit in money. To earn this benefit, you need to raise a product on the land and sell it every year. Or you could sell services, such as boarding or breeding. You must also use accepted farming practices. Depending on the zoning, there may also be an income requirement.

Q: How much income do I need to make to qualify for EFU farm deferral?
A: There is no minimum income requirement in an Exclusive Farm Use zone. Instead, the farming must be done with the intent of making a profit in money. For complete details, please see the flyer "Assessment of Farmland in an EFU Zone".

Q: How much income do I need to make to qualify for Non-EFU farm deferral?
A: In general, $100 per acre with a minimum of $650 and a maximum of $3000, depending on the size of the acreage. For complete details, please see the flyer "Assessment of Farmland **Not** in an EFU Zone".

Q: Does the sale of firewood count as farm use?
A: It does not.

Q: What percent will I save if my property is specially assessed?
A: The break in taxes the property will receive is not based on a percentage of value. Rather, an appraiser will determine soil classes for your land and those lower values are what become taxable. This varies from property to property.

Q: How much lower will my tax rate be if my property is specially assessed?
A: The break in taxes the property will receive is not based on a lower tax rate. Rather, an appraiser will determine soil classes for your land and those lower values are what become taxable. This varies from property to property.

Q: I have been farming; how do I get my EFU zoned property specially assessed as farmland?
A: Contact our office. We will have an appraiser perform an onsite inspection after April 1st. They will determine qualifying farm use and assign soil classes to the farmland. We will send you a letter later in the year to notify you that we have processed your request for the upcoming tax year.

Q: I want to apply to Planning & Zoning for an Ag-Exempt building permit; how soon can I get my property specially assessed as a farm?
A: In an EFU zone, you must farm your property in the year prior to the year you want it specially assessed and then continually thereafter. In a Non-EFU zone, you must farm your property for the 2 years prior to the year you want it specially assessed and then continuously thereafter. You must also have met the income requirement for 3 out of the last 5 years.

Q: Can I lease my property to someone else who farms it?
A: Yes, as long as they are farming with the intent of making a profit in money and you are receiving an income from them. We may request a lease agreement as proof of this income.

Q: How much livestock do I need to qualify for farm deferral?
A: Please see our "Carrying Capacity" flyer.

Q: Can I have horses?
A: Yes, but they only qualify for farm use if you are making an income from them.

Q: How many Christmas trees do I need to plant for farm deferral?
A: Please see our "Christmas Tree Requirements" flyer.

Q: How many trees do I need to have for Designated Forestland/Small Tract Forestland special assessment?
A: Please see our "General Information on Designated Forestland" flyer.

Q: What else do I need to do to qualify for Designated Forestland/Small Tract Forestland special assessment?
A: Please see the "Special Assessment Programs for Forestland" flyer.

Q: When should I apply for Designated Forestland/Small Tract Forestland special assessment?
A: After you receive your tax statement and prior to April 1 of the year in which you wish special assessment. Contact our office for an application.

Q: When should I apply for Non-EFU farm special assessment?
A: After you receive your tax statement and prior to April 1 of the year in which you wish special assessment. Contact our office for an application.

Q: How do I find out if I am allowed to build on my property?
A: Please contact the Planning & Zoning department at (503) 588-5038.

Q: What happens to my special assessment status if I build a house on my property?
A: Typically, 1 acre is disqualified (removed) from special assessment. In an EFU zone, that acre is then taxed at a reduced value as a homesite along with the onsite developments such as well, septic, landscaping, etc. as long as the home is owned and occupied by a person who is involved in the farm/forest operation (you must have at least 10 acres of trees to qualify for this in forestland special assessment.) In a Non-EFU zone, we calculate the most recent 5 years' (maximum) worth of deferred taxes on 1 acre and extend the amount as an additional tax, due and payable on the next tax roll. That acre is then assessed and taxed on its market value.

Q: What happens if I am approved by Planning & Zoning for a Non-Farm/Non-Forest Dwelling?
A: Depending on what the Conditional Use decision states, we generally must **permanently** disqualify (remove) the entire property from special assessment, prior to you obtaining a building permit. This involves the calculation of the most recent 5 or 10 years' (maximum) worth of deferred taxes which are then extended to the next tax roll, due and payable as an additional tax. The property becomes **ineligible** to receive special assessment as a farm or forest from that point forward, with minimal exceptions. It is then assessed and taxed on its market value.

Q: What happens if I subdivide my farmland?
A: The act of recording a subdivision triggers a disqualification (removal) of the property from special assessment and the calculation of the most recent 5 or 10 years' (maximum) worth of deferred taxes. In an EFU zone, this Potential Additional Tax Liability will not be due and payable until the use of the land is changed to something incompatible with returning it to farm use, such as development for residential, commercial or industrial use. In a Non-EFU zone, the additional taxes are due and payable for the current tax year. If the zone is changed from EFU to Non-EFU, a timely application may be made to continue receiving special assessment.

This flyer is meant to be a general guide only.