



## HB 3630 Natural Resource Exemption Changes

House Revenue Committee – Jody Wisner – 4.3.2025

My name is Jody Wisner and I represent Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

Two months ago when we testified before this committee we outlined several issues with the estate tax that we suggested you address. This bill touches, ever so lightly, on one of those issues.

In 2023 SB 498 created a second provision for natural resource estates. Doing so created multiple problems, including varying definitions of family, the number of years a member of the family must be engaged in the farm, forest or fishing businesses, the treatment of debt, annual reporting, etc. This bill doesn't address those issues.

Further, we said, "It makes little sense to have complicated our tax system with two different provisions, one a credit and the other an exemption. Instead a single natural resource provision needs to be designed which includes the best measures of each provision." That is not addressed today.

We also think you should undo the SB498 loophole that allows any decedent with natural resource property in which they or a family member has been somewhat involved, to pass on up to \$15 million of value without taxation, **regardless of the size of their estate and other assets available to pay the tax.** That means that when Shilo Inn owner Mark Hemstreet, or Inheritor, Businessman and Philanthropist Robert Pamplin Jr and their spouses die, their heirs might inherit up to \$15 million of Oregon natural resource property from each parent tax-free, despite their multimillions in assets beyond their natural resource property. (My written testimony gives details about these families' assets).

The issues generated with the passage of SB 498 are a challenge that deserve a workgroup and we hope you will appoint one to address those issues, rather than acting on HB 3630.

The directions to that workgroup should include asking them to return Oregon to a single natural resource property provision. They will need to:

- Resolve the many conflicts between our two natural resource provisions,
- Establish the size and nature of the tax break,
- Address the issues raised in HB 3630, and
- Place caps on taxable estate value and the natural resource assets as a percentage of the total estate.

Additionally, we believe the workgroup should address:

- The absence of an Oregon gift tax – which is a giant estate tax loophole, and
- The possibility of providing an extended payment period to constrained family businesses.

While this bill addresses some minor issues, much more important and more through and work needs to be done between sessions. Leave this bill for that workgroup and get it formed.

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Former political donor Mark Hemstreet is owner of 18 Shilo Inns, many in Oregon, the 9400 acre Shilo Ranch in Wallowa County (currently available for sale for \$21 million) along with properties in several other western states. <https://www.landleader.com/property/shilo-ranch-wallowa-oregon/40838>

Inheritor, businessman and philanthropist Robert Pamplin's sprawling 81,000 acre ranch stretches 20 by 40 miles and is the largest in Central Oregon, he and his wife also own two Yamhill County wineries, and Columbia Empire Farms (once Oregon's largest producer of hazelnuts). [https://www.wweek.com/news/2025/01/15/dr-robert-pamplin-concedes-he-raided-his-employees-pension-fund/?utm\\_source=Master+Audience&utm\\_campaign=2474d7283e-EMAIL\\_CAMPAIGN\\_2025\\_01\\_14\\_05\\_43&utm\\_medium=email&utm\\_term=0\\_-2474d7283e-87957400&mc\\_cid=2474d7283e&mc\\_eid=01357e93f7](https://www.wweek.com/news/2025/01/15/dr-robert-pamplin-concedes-he-raided-his-employees-pension-fund/?utm_source=Master+Audience&utm_campaign=2474d7283e-EMAIL_CAMPAIGN_2025_01_14_05_43&utm_medium=email&utm_term=0_-2474d7283e-87957400&mc_cid=2474d7283e&mc_eid=01357e93f7)

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