

House Bill 3548

Sponsored by Representatives GILLIAM, BOONE; Representative KOMP

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Adds dairy processors and egg processors to food processors eligible for property tax exemptions.

Applies to tax years beginning on or after July 1, 2007.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax exemptions for food processors; creating new provisions; amending ORS
3 307.455; and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.455 is amended to read:

6 307.455. (1) As used in this section and ORS 307.457:

7 (a) "Assessor" means the county assessor, or the Department of Revenue if under ORS 306.126
8 the department is responsible for appraisal of the facility at which the qualified machinery and
9 equipment is located.

10 (b) "Food processor":

11 (A) Means a person engaged in the business of freezing, canning, dehydrating, concentrating,
12 preserving, processing or repacking for human consumption raw or fresh fruit, vegetables, nuts,
13 legumes, [*or*] seafood, **eggs or dairy products** in any procedure that occurs prior to the point of
14 first sale by the processor.

15 (B) Does not include persons engaged in the business of producing alcoholic beverages.

16 (c) "Integrated processing line" does not include forklifts, trucks or other rolling stock used to
17 transport material to or from a point of manufacture or assembly.

18 (d) "Qualified machinery and equipment" means property, whether new or used, that is newly
19 acquired by a food processor and placed into service prior to January 1 preceding the first tax year
20 for which an exemption under this section is sought, and that consists of:

21 (A) Real property machinery and equipment that is used by a food processor in the primary
22 processing of raw or fresh fruit, vegetables, nuts, legumes, [*or*] seafood, **eggs or dairy products**;
23 or

24 (B) Personal property machinery and equipment that is used in an integrated processing line for
25 the primary processing of raw or fresh fruit, vegetables, nuts, legumes, [*or*] seafood, **eggs or dairy**
26 **products**.

27 (2)(a) On or before March 1 preceding the first tax year for which property is to be exempt from
28 taxation under this section, a food processor seeking an exemption under this section shall apply to
29 the assessor for exemption. The application shall be on a form prescribed by the Department of
30 Revenue and shall include any information required by the department, including a schedule of the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 qualified machinery and equipment for which certification is sought.

2 (b) Notwithstanding paragraph (a) of this subsection, the assessor may approve an application
 3 that is filed after March 1, and on or before December 31 of the assessment year, if the statement
 4 is accompanied by a late filing fee of the greater of \$200 or one-tenth of one percent of the real
 5 market value of the property that is the subject of the application.

6 (c) The assessor shall review the application and, if the machinery and equipment that is the
 7 subject of the application constitutes qualified machinery and equipment certified by the State De-
 8 partment of Agriculture under ORS 307.457, shall approve the application and exempt the qualified
 9 machinery and equipment.

10 (d) If any of the machinery and equipment that is the subject of the application does not con-
 11 stitute qualified machinery and equipment certified by the State Department of Agriculture under
 12 ORS 307.457, the assessor shall exclude the nonqualified machinery and equipment from the appli-
 13 cation.

14 (3) Qualified machinery and equipment for which an application has been approved under sub-
 15 section (2) of this section shall be exempt for the tax year for which the application was approved
 16 and for the next four succeeding tax years, if as of the assessment date for each year the property
 17 constitutes qualified machinery and equipment.

18 (4) The duration of the exemption under subsection (3) of this section may not be extended as
 19 the result of the value of changes to qualified machinery and equipment that are attributable to
 20 rehabilitation, reconditioning or ongoing maintenance or repair.

21 **SECTION 2. The amendments to ORS 307.455 by section 1 of this 2007 Act apply to tax**
 22 **years beginning on or after July 1, 2007.**

23 **SECTION 3. This 2007 Act takes effect on the 91st day after the date on which the reg-**
 24 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**