

# Senate Bill 564

Sponsored by Senator JOHNSON; Representative LINDSAY (at the request of Mike Cropp) (Pre-session filed.)

## 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**.

Exempts from property taxation items of tangible personal property used exclusively on owner's farm parcel primarily to promote sale of products produced on parcel and on other local farm parcels. Excludes retail equipment from exemption.

Applies to property tax years beginning on or after July 1, 2012.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to taxation of tangible personal property; creating new provisions; amending ORS 307.394;  
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.394 is amended to read:

6 307.394. (1) The following tangible personal property is exempt from ad valorem property tax-  
7 tion:

8 (a) Farm machinery and equipment used primarily in the preparation of land, planting, raising,  
9 cultivating, irrigating, harvesting or placing in storage of farm crops;

10 (b) Farm machinery and equipment used primarily for the purpose of feeding, breeding, man-  
11 agement and sale of, or the produce of, livestock, poultry, fur-bearing animals or bees or for dairying  
12 and the sale of dairy products;

13 (c) Machinery and equipment used primarily to implement a remediation plan as defined in ORS  
14 308A.053 for the period of time for which the remediation plan is certified; or

15 (d) Farm machinery and equipment used primarily in any other agricultural or horticultural use  
16 or animal husbandry or any combination of these activities.

17 (2)(a) Items of tangible personal property, including but not limited to tools, machinery and  
18 equipment that are used predominantly in the construction, reconstruction, maintenance, repair,  
19 support or operation of farm machinery, and equipment and other real or personal farm improve-  
20 ments that are used primarily in animal husbandry, agricultural or horticultural activities, or any  
21 combination of these activities, are exempt from ad valorem property taxation.

22 (b) An item of tangible personal property described in paragraph (a) of this subsection is exempt  
23 from ad valorem property taxation only if the person that owns, possesses or controls the item also:

24 (A) Owns, possesses or controls the farm machinery, equipment and other real and personal farm  
25 improvements for which the item is used; and

26 (B) Carries on the animal husbandry, agricultural or horticultural activity, or combination of  
27 activities, in which the farm machinery, equipment or other real and personal farm improvements  
28 are used.

29 **(3)(a) Except as provided in paragraph (b) of this subsection, items of tangible personal**  
30 **property that are used exclusively on the owner's farm parcel primarily to promote the sale**

**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 of the products of animal husbandry or agricultural or horticultural activity, or of any  
2 combination of these activities, produced on the parcel and on other local farm parcels are  
3 exempt from ad valorem property taxation.

4 (b) Retail equipment, including cash registers and display cases and racks, is not exempt  
5 from ad valorem property taxation under paragraph (a) of this subsection.

6 SECTION 2. The amendments to ORS 307.394 by section 1 of this 2011 Act apply to  
7 property tax years beginning on or after July 1, 2012.

8 SECTION 3. This 2011 Act takes effect on the 91st day after the date on which the 2011  
9 session of the Seventy-sixth Legislative Assembly adjourns sine die.

10