

**TO:** Chair and Members of the House Revenue Committee

**FROM:** Gil Riddell, AOC Policy Director

**SUBJECT:** House Bill 3125 – Property tax exemption for machinery and equipment used in certain food processing.

**DATE:** May 20, 2015

### **HOUSE BILL 3125 – STATEMENT FOR THE RECORD**

The following statement related to HB 3125 is for the record of the House Revenue Committee for the purpose of clarifying legislative intent.

The Association of Oregon Counties represents all 36 of the state’s county governments. So far, AOC has supported each iteration of the concept embodied in HB 3125: Senate Bill 479 (2005); HB 2563 (2011); HB 2735 (2013); and HB 3125 (2015). This, of course, does not mean AOC will support any future iteration of this concept.

For AOC, it is important that the record show the following understanding of the intention of HB 3125 as drafted. AOC believes the following statement of intent is agreed to by the sponsors of HB 3125 and those who will benefit by it.

Although the drafter chose to make some small changes to language in current statute related to this program, with only one exception HB 3125 does **not** change in the current law the standards for qualification of types of machinery and equipment or the administrative processes or requirements. The one exception is that personal property is now eligible even if it is not in an “integrated processing line.” In other words, machinery and equipment that is **used to process** and is not bolted down or hooked up to the processing line would be eligible to qualify for this program. With that one exception, this bill is intended simply to expand the categories of food processors to which the five-year exemption program as it exists and is administered now applies.