

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 596 - 1**

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Expands the property tax for machinery and equipment used in farming, agriculture, horticulture, raising livestock, fur-bearing animals, or bees, or dairying.

**Government Unit(s) Affected:**

Counties, Department of Revenue(DOR)

**Analysis:**

This bill expands the personal property tax exemption for machinery and equipment used in farming, agriculture, horticulture, dairying, or raising livestock, fur-bearing animals, or bees. It broadens the existing exemption to also exempt property that is used for these purposes, but currently considered real property and taxed as such. The bill also specifically extends the personal property tax exemption to machinery and equipment used to compress and bale harvested straw, hay, or other plants for the purpose of storage or shipment.

Counties

The exemption provided in this bill is effective for property tax years beginning on or after July 1, 2016. Counties are required to accept applications for a refund of tax paid on the property now exempt under this bill, and may charge a \$200 application fee. In addition to processing applications, counties would need to update the tax rolls to recharacterize property listed in this bill as exempt personal property. It is unknown how many hay compressors exist in the state or which counties would be impacted. The Association of Oregon Counties estimates that finding and updating the tax rolls to exempt newly classified property would cost up to \$30,000 statewide.

Removing the specified machinery from the real property tax rolls and exempting it from personal property tax may have a fiscal impact on counties, as well as on other entities funded through ad valorem property taxes in the jurisdiction. The fiscal impact of this bill on counties is indeterminate.

Department of Revenue

There is no fiscal impact to the Department of Revenue.