

**HB 2151 STAFF MEASURE SUMMARY**

**House Committee On Economic Development and Trade**

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**Prepared By:** Adam Crawford, LPRO Analyst  
**Sub-Referral To:** House Committee On Revenue  
**Meeting Dates:** 2/22

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**WHAT THE MEASURE DOES:**

Allows a property tax exemption for newly acquired food processing machinery and equipment acquired by persons engaged in business of producing cannabinoid edibles, alcoholic beverages, and alcoholic liquors. Takes effect on 91st day following sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Senate Bill 479 (2005) created a property tax exemption on newly acquired food processing machinery and equipment certified by the Oregon Department of Agriculture. In 2015, House Bill 3125 expanded the exemption to include machinery and equipment used to process grains, bakery products, dairy products, and eggs while specifically prohibiting machinery used to produce alcoholic beverages or any product that contains marijuana. According to the Governor's 2017-2019 Tax Expenditure Report, this tax exemption is expected to represent a \$6 million loss in revenue during the 2017-2019 biennium. Currently, roughly 15 businesses use this exemption per year.

House Bill 2151 would allow alcohol beverage or cannabinoid edible producers to claim this property tax exemption during tax years starting July 1, 2017.