

SB 596-1
(LC 378)
4/3/17 (ASD/ps)

Requested by Senator KNOPP (at the request of Senator Brian Boquist)

**PROPOSED AMENDMENTS TO
SENATE BILL 596**

1 On page 1 of the printed bill, line 3, delete “308.250” and insert
2 “307.394”.

3 Delete lines 5 through 31 and delete page 2 and insert:

4 **“SECTION 1.** ORS 307.394 is amended to read:

5 “307.394. (1) The following **machinery and equipment is** tangible per-
6 sonal property **that** is exempt from ad valorem property taxation:

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

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

14 **“(c) Machinery and equipment used to compress and bale harvested**
15 **straw, hay, grass or other plants, including, but not limited to, clover**
16 **and alfalfa, for the purpose of storage or shipment;**

17 “[*(c)*] **(d)** Machinery and equipment used primarily to implement a reme-
18 diation plan as defined in ORS 308A.053 for the period of time for which the
19 remediation plan is certified; [*or*] **and**

20 “[*(d)*] **(e)** Farm machinery and equipment used primarily in any other
21 agricultural or horticultural use or animal husbandry or any combination

1 of these activities.

2 “(2)(a) Items of tangible personal property, including but not limited to
3 tools, machinery and equipment that are used predominantly in the con-
4 struction, reconstruction, maintenance, repair, support or operation of farm
5 machinery, and equipment and other real or personal farm improvements that
6 are used primarily in animal husbandry, agricultural or horticultural activ-
7 ities, or any combination of these activities, are exempt from ad valorem
8 property taxation.

9 “(b) An item of tangible personal property described in paragraph (a) of
10 this subsection is exempt from ad valorem property taxation only if the per-
11 son that owns, possesses or controls the item also:

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

14 “(B) Carries on the animal husbandry, agricultural or horticultural ac-
15 tivity, or combination of activities, in which the farm machinery, equipment
16 or other real and personal farm improvements are used.

17 **“SECTION 2. The amendments to ORS 307.394 by section 1 of this**
18 **2017 Act apply to property tax years beginning on or after July 1, 2016.**

19 **“SECTION 3. (1)(a) To receive a refund under this section, an ap-**
20 **plication must be filed with the county assessor within 60 days after**
21 **the effective date of this 2017 Act.**

22 **“(b) An application filed under this section must:**

23 **“(A) Contain information necessary to substantiate the claim for a**
24 **refund.**

25 **“(B) Be accompanied by a filing fee of \$200.**

26 **“(2)(a) If taxes on property that is exempt by operation of the**
27 **amendments to ORS 307.394 by section 1 of this 2017 Act have not been**
28 **paid, the taxes and any interest on the taxes are abated.**

29 **“(b) If taxes on property that is exempt by operation of the**
30 **amendments to ORS 307.394 by section 1 of this 2017 Act have been**

1 paid, the tax collector of the county in which the property is located
2 shall notify the governing body of the county of any refund required
3 by operation of the amendments to ORS 307.394 by section 1 of this 2017
4 Act.

5 “(3)(a) Upon receipt of notice from the tax collector under sub-
6 section (2)(b) of this section, the governing body shall cause a refund
7 of any amount of taxes and interest on the taxes that has been paid
8 to be made from the refund reserve account, if the county has estab-
9 lished a refund reserve account under ORS 311.807, or from the un-
10 segregated tax collections account described in ORS 311.385.

11 “(b) A refund under this subsection shall be made without interest.

12 “(4) The Department of Revenue, the county assessor and the tax
13 collector shall make the necessary corrections in the records of their
14 offices.

15 “SECTION 4. This 2017 Act takes effect on the 91st day after the
16 date on which the 2017 regular session of the Seventy-ninth Legislative
17 Assembly adjourns sine die.”.

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