

# House Bill 2401

Sponsored by Representative LEWIS; Representatives CATE, LEVY B, OWENS (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 ad valorem property taxation machinery and equipment used to compress and bale harvested straw, hay, grass or other plants. Applies to property tax years beginning on or after July 1, 2023.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to a property tax exemption for farm machinery; creating new provisions; amending ORS  
3 307.397; and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.397 is amended to read:

6 307.397. (1) The following items of real property machinery and equipment or tangible personal  
7 property are exempt from ad valorem property taxation:

8 (a) Frost control systems used in agricultural or horticultural activities carried on by the  
9 farmer;

10 (b) Trellises used for hops, beans or fruit or for other agricultural or horticultural purposes;

11 (c) Hop harvesting equipment, including but not limited to hop pickers;

12 (d) Oyster racks, trays, stakes and other in-water structures used to raise bivalve mollusks;  
13 *[or]*

14 (e) Equipment used for the fresh shell egg industry that is directly related and reasonably nec-  
15 essary to produce, prepare, package and ship fresh shell eggs from the place of origin to market,  
16 whether bolted to the floor, wired or plumbed to interconnected equipment, including but not limited  
17 to grain bins, conveyors for transporting grain, grain grinding machinery, feed storage hoppers,  
18 cages, egg collection conveyors and equipment for washing, drying, candling, grading, packaging and  
19 shipping fresh shell eggs[.]; **or**

20 **(f) Machinery and equipment used to compress and bale harvested straw, hay, grass or**  
21 **other plants, including, but not limited to, clover and alfalfa.**

22 (2) A real property building, structure or improvement is exempt from ad valorem property  
23 taxation if it:

24 (a) Is used primarily to grow plants for agricultural or horticultural production;

25 (b) Is covered with polyethylene, fiberglass, corrugated polycarbonate acrylic or any other  
26 transparent or translucent material designed primarily to allow passage of solar heat and light; and

27 (c) Does not have a permanent heat source other than radiant heating provided by direct sun-  
28 light.

29 **SECTION 2.** The amendments to ORS 307.397 by section 1 of this 2023 Act apply to  
30 **property tax years beginning on or after July 1, 2023.**

**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        **SECTION 3.** This 2023 Act takes effect on the 91st day after the date on which the 2023  
2 regular session of the Eighty-second Legislative Assembly adjourns sine die.  
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