

# House Bill 3379

Sponsored by Representative BOSHART DAVIS

## 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**.

Removes requirement that farm machinery and equipment be tangible personal property for purposes of exemption from ad valorem property taxation.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to farm machinery and equipment; amending ORS 307.394; and prescribing an effective date.

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

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

5 307.394. (1) The following [*tangible personal*] property is exempt from ad valorem property tax-  
6 tion:

7 (a) Farm machinery and equipment used **or held for use** primarily in the preparation of land[,]  
8 **or the** planting, raising, cultivating, irrigating, harvesting, [*or*] placing in storage **or preparing for**  
9 **storage or shipping** of farm crops;

10 (b) Farm machinery and equipment used **or held for use** primarily for the purpose of:

11 (A) Feeding[,] **or** breeding[, *management and sale of, or the produce of,*] livestock, poultry, fur-  
12 bearing animals or bees;

13 (B) **The management and sale of livestock, poultry, fur-bearing animals or bees or their**  
14 **produce;** or

15 (C) [*for*] Dairying and the sale of dairy products;

16 (c) Machinery and equipment used **or held for use** primarily to implement a remediation plan  
17 as defined in ORS 308A.053 for the period of time for which the remediation plan is certified; or

18 (d) Farm machinery and equipment used **or held for use** primarily in any other agricultural or  
19 horticultural use or animal husbandry or any combination of these activities.

20 (2)(a) Items of [*tangible personal*] property, including, but not limited to, tools, machinery and  
21 equipment that are used **or held for use** [*predominantly*] **primarily** in the construction, recon-  
22 struction, maintenance, repair, support or operation of farm machinery, and equipment and other  
23 real or personal farm improvements that are used **or held for use** primarily in animal husbandry,  
24 agricultural or horticultural activities, or any combination of these activities, are exempt from ad  
25 valorem property taxation.

26 (b) An item of [*tangible personal*] property described in paragraph (a) of this subsection is ex-  
27 empt from ad valorem property taxation only if the person that owns, possesses or controls the item  
28 also:

29 (A) Owns, possesses or controls the farm machinery, equipment and other real and personal farm  
30 improvements for which the item is used **or held for use**; and

31 (B) Carries on the animal husbandry, agricultural or horticultural activity, or combination of

**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 activities, in which the farm machinery, equipment or other real and personal farm improvements  
2 are used **or held for use.**

3 **(3) For purposes of this section:**

4 **(a) “Farm machinery and equipment” means any mechanically, electrically or electron-**  
5 **ically operated device or fixed asset, other than land and buildings, that is owned, possessed**  
6 **or controlled by a person engaged in the activities described in subsection (1) of this section.**

7 **(b)(A) “Preparing for storage or shipping” means any sorting, packing, sizing, cleaning**  
8 **or other on-farm preparation of a farm crop by a person engaged in the activities described**  
9 **in subsection (1) of this section prior to the first point of sale.**

10 **(B) “Preparing for storage or shipping” does not mean food processing activities con-**  
11 **ducted by:**

12 **(i) A food processor as defined in ORS 307.455; or**

13 **(ii) Persons engaged in the business of producing alcoholic beverages as defined in ORS**  
14 **471.001 or marijuana items as defined in ORS 475C.009.**

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

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