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

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

SECTION 1. ORS 307.394 is amended to read:

307.394. (1) The following [tangible personal] property is exempt from ad valorem property taxation:

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

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

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

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

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

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

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

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

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

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

(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.

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

(3) For purposes of this section:

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

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

(B) “Preparing for storage or shipping” does not mean food processing activities conducted by:

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

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

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