



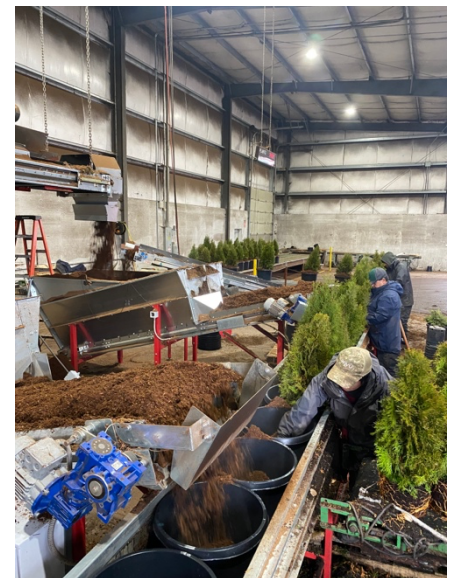
Fix Oregon's Farm Equipment Tax Exemption, Reduce Confusion Support HB 4111

The Problem:

Since 1973 when the Oregon Legislature first approved its property tax exemption for tangible personal property used for agriculture, things have changed. **County assessors have encountered difficulties determining which pieces of agricultural equipment are exempt under [ORS 307.394](#), causing unequal application of the law and inequitable tax treatment among farm operations.**

Current law exempts tangible personal property from the property tax rolls. It does not exempt real property, which is defined as "... machinery, equipment or fixtures erected upon, above or affixed to the land." The problem is, sometimes farm machinery is "affixed" to a building, and sometimes it's not. Examples include:

- A **seed cleaner** that is plugged in to an outlet at one farm is considered tangible personal property, but hardwired at another farm is inequitably considered real property.
- **Experimental equipment** that changes the nature of harvesting, such as a fixed hop picker is real property, and yet a mobile hop picker is tangible personal property.
- A **modular nursery potting line** that is bolted down for safety when in use is assessed as real property, but freestanding when in storage is assessed as tangible personal property.



What the bill does: Removes the distinction between tangible personal property and real property, making all equipment exempt that fits the statute's definition of farm equipment. We want to reduce confusion and administrative work for both farmers and assessors while ensuring that the resulting change to statute does not constitute a major expansion of the exemption or large financial impact to counties. The final language is undergoing refinement.

For additional questions, please contact:

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