

Requested by Representative LEWIS

**PROPOSED AMENDMENTS TO
HOUSE BILL 2264**

1 On page 1 of the printed bill, line 3, delete “307.020 and”.

2 Deletes lines 5 through 28 and delete page 2 and insert:

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

4 “307.394. (1) The following **real and** tangible personal property is exempt
5 from ad valorem property taxation, **regardless of whether the property is**
6 **movable in the ordinary course of the business use of the property:**

7 “(a) Farm machinery and equipment, **tools and implements** used prima-
8 rily in [*the preparation of land,*] **preparing land for farm crops**, planting,
9 raising, cultivating, irrigating[,], **or** harvesting **farm crops**, [*or*] **preparing**
10 **farm crops for, or** placing **farm crops** in, storage [*of*] **or preparing** farm
11 crops **for shipping;**

12 “(b) Farm machinery and equipment, **tools and implements** used prima-
13 rily for the purpose of feeding, breeding, management and sale of, or the
14 produce of, livestock, poultry, fur-bearing animals or bees or for dairying and
15 the sale of dairy products;

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

19 “(d) Farm machinery and equipment, **tools and implements** used prima-
20 rily in any other agricultural or horticultural use or animal husbandry or
21 any combination of these activities.

1 “(2)(a) Items of **real and** tangible personal property **to which this sub-**
2 **section applies**[, *including but*] **include but are** not limited to [*tools,*]:

3 “(A) Machinery and equipment, **tools and implements** that are used
4 predominantly in the construction, reconstruction, maintenance, repair, sup-
5 port or operation of farm machinery, [*and*] **equipment, tools and imple-**
6 **ments; and**

7 “(B) Equipment and other real or personal farm improvements that are
8 used primarily in animal husbandry, agricultural or horticultural activities,
9 or any combination of these activities[, *are exempt from ad valorem property*
10 *taxation*].

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

14 “(A) Owns, possesses or controls the farm machinery, equipment, **tools,**
15 **implements** and other real and personal farm improvements for which the
16 item is used; and

17 “(B) Carries on the animal husbandry, agricultural or horticultural ac-
18 tivity, or combination of activities, in which the farm machinery,
19 equipment, **tools, implements** or other real and personal farm improve-
20 ments are used.

21 “(3) **This section does not apply to any equipment used in processing**
22 **by a person required to be licensed under ORS 475B.090 or 616.706.**

23 “**SECTION 2. The amendments to ORS 307.394 by section 1 of this**
24 **2019 Act apply to property tax years beginning on or after July 1, 2020.**

25 “**SECTION 3. This 2019 Act takes effect on the 91st day after the**
26 **date on which the 2019 regular session of the Eightieth Legislative**
27 **Assembly adjourns sine die.”.**

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