

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 Delete 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 tangible personal property is exempt from ad
5 valorem property taxation:

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

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

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

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

21 “(2)(a) Items of tangible personal property **to which this subsection**

1 **applies**[, *including but*] **include but are** not limited to [*tools,*]:

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

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

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

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

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

20 “(3) **For purposes of this section, farm machinery and equipment is**
21 **considered tangible personal property if the farm machinery and**
22 **equipment is:**

23 “(a) **Readily movable in whole or in discrete units; and**

24 “(b) **Not fully integrated into the real property in which it is situ-**
25 **ated, by extensive wiring, plumbing, bolting or fastening, so that the**
26 **removal of the farm machinery or equipment would cause minimal**
27 **damage or require minimal alteration to the real property in which it**
28 **is situated.**

29 “(4)(a) **This section does not apply to any equipment used for pro-**
30 **cessing a crop into another product.**

1 **“(b) As used in this subsection:**

2 **“(A) ‘Processing’ means altering a crop in any way.**

3 **“(B) ‘Processing’ does not mean sorting, boxing, packing or clean-**
4 **ing a crop in preparation for storing or shipping the crop.**

5 **“SECTION 2. The amendments to ORS 307.394 by section 1 of this**
6 **2019 Act apply to property tax years beginning on or after July 1, 2020.**

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

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