

HB 4111 A STAFF MEASURE SUMMARY

Carrier: Sen. Findley

Senate Committee On Finance and Revenue

Action Date: 03/06/24

Action: Do pass the A-Eng bill.

Vote: 5-0-0-0

Yeas: 5 - Boquist, Findley, Golden, Jama, Meek

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Beau Olen, Economist

Meeting Dates: 3/6

WHAT THE MEASURE DOES:

Exempts real farm machinery and equipment from property taxation. Applies to property tax years beginning on or after July 1, 2025.

ISSUES DISCUSSED:

- Clarification of exemption for assessors and farmers
- County budgets

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon court cases have ruled that some machinery and equipment, such as hay compressors, conveyers and sorting/cleaning/packing lines, are not farm machinery and equipment as construed by the Oregon Supreme Court in *King Estate Winery, Inc. v. DOR* (1999). Given that the term "farm machinery and equipment" is not defined in statute, exempting that machinery and equipment under the farm machinery and equipment exemption, or exempting other machinery and equipment with analogous court rulings, may be susceptible to legal challenges.

- *Dinsdale v. Marion County Assessor* (2011)
- *Pollock and Sons, Inc. v. Umatilla County Assessor* (2013)
- *Farmers Direct, Inc. v. DOR* (2023)