

A-Engrossed
House Bill 4111

Ordered by the House March 1
Including House Amendments dated March 1

Sponsored by Representative RESCHKE, Senator FINDLEY; Representatives BOICE, BREESE-IVERSON, CATE, HELM, LEVY B, LEVY E, LEWIS, RUIZ, SMITH G, STOUT, WALTERS, Senators GORSEK, MANNING JR, SMITH DB (Presession filed.)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes all farm machinery tax exempt. (Flesch Readability Score: 66.1).
Removes the requirement that farm machinery and equipment be tangible personal property for the purposes of exemption from ad valorem property taxation.
Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to farm machinery and equipment; creating new provisions; amending ORS 307.394; and
3 prescribing an effective date.

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

5 **SECTION 1.** ORS 307.394 is amended to read:

6 307.394. (1) The following [*tangible personal*] property is exempt from ad valorem property taxa-
7 tion:

8 [*(a) Farm machinery and equipment used primarily in the preparation of land, planting, raising,*
9 *cultivating, irrigating, harvesting or placing in storage of farm crops;*]

10 **(a) Farm machinery and equipment used or held for use primarily in the preparation of**
11 **land or the planting, raising, cultivating, irrigating, harvesting or placing in storage of farm**
12 **crops;**

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

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

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

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

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

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

23 [(2)(a) *Items of tangible personal property, including but not limited to tools, machinery and*
24 *equipment that are used predominantly in the construction, reconstruction, maintenance, repair, support*
25 *or operation of farm machinery, and equipment and other real or personal farm improvements that are*
26 *used primarily in animal husbandry, agricultural or horticultural activities, or any 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.

1 *these activities, are exempt from ad valorem property taxation.]*

2 **(2)(a) Items of property, including tools and machinery and equipment that are used or**
3 **held for use primarily in the construction, reconstruction, maintenance, repair, support or**
4 **operation of farm machinery, and equipment and other real or personal farm improvements**
5 **that are used or held for use primarily in animal husbandry, agricultural or horticultural**
6 **activities, or any combination of these activities, are exempt from ad valorem property tax-**
7 **ation.**

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

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

13 (B) Carries on the animal husbandry, agricultural or horticultural activity, or combination of
14 activities, in which the farm machinery, equipment or other real and personal farm improvements
15 are used **or held for use**.

16 **(c) This subsection does not apply to land or buildings.**

17 **SECTION 2. The amendments to ORS 307.394 by section 1 of this 2024 Act apply to**
18 **property tax years beginning on or after July 1, 2025.**

19 **SECTION 3. This 2024 Act takes effect on the 91st day after the date on which the 2024**
20 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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