

House Bill 4111

Sponsored by Representative RESCHKE, Senator FINDLEY; Representatives BOICE, BREESE-IVERSON, LEVY B, LEVY E, RUIZ, WALTERS, Senators GORSEK, MANNING JR, SMITH DB (Pre-session 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 **as introduced**. 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; amending ORS 307.394; and prescribing an effective date.

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

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

5 307.394. (1) The following [*tangible personal*] property is exempt from ad valorem property tax-
6 tion:

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

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

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

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

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

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

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

20 (2)(a) Items of [*tangible personal*] property, including, but not limited to, tools, machinery and
21 equipment that are used [*predominantly*] **or held for use primarily** in the construction, recon-
22 struction, maintenance, repair, support or operation of farm machinery, and equipment and other
23 real or personal farm improvements that are used **or held for use** primarily in animal husbandry,
24 agricultural or horticultural activities, or any combination of these activities, are exempt from ad
25 valorem property taxation.

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

29 (A) Owns, possesses or controls the farm machinery, equipment and other real and personal farm

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 improvements for which the item is used **or held for use**; and

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

5 **SECTION 2. This 2024 Act takes effect on the 91st day after the date on which the 2024**
6 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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