CHAPTER 83

AN ACT HB 4111

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

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

SECTION 1. ORS 307.394 is amended to read:

307.394. (1) The following [*tangible personal*] property is exempt from ad valorem property taxation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor April 4, 2024

Filed in the office of Secretary of State April 4, 2024

Effective date June 6, 2024