

Senate Bill 595

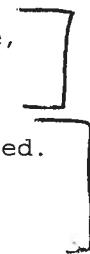
House Amendments ([html](#))
A-Engrossed ([html](#))
Minority Report A-Engrossed ([html](#))
Enrolled ([html](#))
Introduced ([html](#))
House Minority Report Amendments ([html](#))

- SB 595** **By COMMITTEE ON REVENUE -- Relating to taxation.**
- 02/15 (S) Introduction and first reading. Referred to President's desk.
 - 02/16 (S) Referred to Revenue.
 - 03/02 (S) Public Hearing and Work Session held.
 - 04/27 (S) Work Session held.
 - 05/06 (S) Recommendation: Do pass.
 - 05/06 (S) Second reading.
 - 05/07 (S) Taken from 05-07 Calendar and placed on 05-10 Calendar by unanimous consent.
 - 05/10 (S) Carried over to 05-11 by unanimous consent.
 - 05/11 (S) Third Reading. Carried by Hartung. Passed.
 - 05/12 (H) First reading. Referred to Speaker's desk.
 - 05/12 (H) Referred to Revenue.
 - 06/15 (H) Work Session held.
 - 06/17 (H) Work Session held.
 - 06/23 (H) Recommendation: Do pass with amendments and be printed A-Engrossed.
 - 06/23 (H) Minority recommendation: Do pass with amendments and be printed A-Engrossed.
 - 06/25 (H) Consideration of Committee Report and Minority Report taken from today's Calendar and placed in proper order on Monday, June 28 Calendar.
 - 06/28 (H) Motion to substitute Minority Report for Committee Report failed.
 - 06/28 (H) Committee Report adopted.
 - 06/28 (H) Rules suspended. Second reading.
 - 06/28 (H) Rules suspended. Third reading. Carried by Witt. Passed.
 - 06/28 (H) Potential conflict(s) of interest declared by Kafoury.
 - 07/01 (S) Senate concurred in House amendments and repassed bill.
 - 07/13 (S) President signed.
 - 07/14 (H) Speaker signed.

07/21 (S) Governor vetoed.

07/22 (S) Governor's veto message entered into Journal.

- SB 595 By COMMITTEE ON REVENUE -- Relating to taxation.
- 2-15(S) Introduction and first reading. Referred to President's desk.
- 2-16 Referred to Revenue.
- 3-2 Public Hearing and Work Session held.
- 4-27 Work Session held.
- 5-6 Recommendation: Do pass.
Second reading.
- 5-7 Taken from 05-07 Calendar and placed on 05-10 Calendar by unanimous consent.
- 5-10 Carried over to 05-11 by unanimous consent.
- 5-11 Third Reading. Carried by Hartung. Passed.
Ayes, 26 --Nays, 1, Corcoran, Excused, 2--Shannon, Wilde, Attending Legislative Business, 1----Timms.
- 5-12(H) First reading. Referred to Speaker's desk.
Referred to Revenue.
- 6-15 Work Session held.
- 6-17 Work Session held.
- 6-23 Recommendation: Do pass with amendments and be printed A-Engrossed.
Minority recommendation: Do pass with amendments and be printed A-Engrossed.
- 6-25 Consideration of Committee Report and Minority Report taken from today's Calendar and placed in proper order on Monday, June 28 Calendar.
- 6-28 Motion to substitute Minority Report for Committee Report failed.
Ayes, 18 --Nays, 39, Atkinson, Backlund, Beyer, Butler, Close, Deckert, Devlin, Edwards, Gianella, Hansen, Harper, Jenson, Kafoury, Knopp, Kropf, Krummel, Kruse, Lewis, Lokan, Lundquist, Mannix, Messerle, Minnis, Montgomery, Morgan, Schrader, Shetterly, Simmons, Starr, Strobeck, Sunseri, Thompson, Wells, Welsh, Westlund, Williams, Wilson, Witt, Speaker Snodgrass, Absent, 1--Hill, Excused, 2--Patridge, Winters.
Committee Report adopted.
Ayes, 49 --Nays, 8, Bowman, Lowe, Merkley, Morrisette, Rasmussen, Rosenbaum, Uherbelau, Walker, Absent, 1--Hill, Excused, 2--Patridge, Winters.
- Rules suspended. Second reading.
- Rules suspended. Third reading. Carried by Witt. Passed.
Ayes, 47 --Nays, 4, Bowman, Merkley, Rasmussen, Rosenbaum, Absent, 2--Hill, Hopson, Excused, 2--Patridge, Winters, Excused for business of the House, 5----Backlund, Leonard, Lundquist, Shetterly, Williams.
- 7-1(S) Potential conflict(s) of interest declared by Kafoury. Senate concurred in House amendments and repassed bill.
Ayes, 24 --Nays, 4, Corcoran, Gordly, Shields, Trow, Excused, 2--Derfler, Wilde.
- 7-13 President signed.
- 7-14(H) Speaker signed.
- 7-21(S) Governor vetoed.
- 7-22 Governor's veto message entered into Journal.
Includes wine grapes within definition of agricultural products exempt from personal property taxation. Exempts certain wine-making equipment from personal property taxation.
Applies to tax years beginning on or after July 1, 2000.



70th OREGON LEGISLATIVE ASSEMBLY--1999 Regular Session

NOTE: Matter within { + braces and plus signs + } in an amended section is new. Matter within { - braces and minus signs - } is existing law to be omitted. New sections are within { + braces and plus signs + } .

LC 1261

A-Engrossed

Senate Bill 595
Ordered by the House June 23
Including House Amendments dated June 23

Sponsored by COMMITTEE ON REVENUE

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.

Includes wine grapes within definition of agricultural products exempt from personal property taxation. Exempts { + certain + } wine-making equipment from personal property taxation.

Applies to tax years beginning on or after July 1, 2000.

A BILL FOR AN ACT

Relating to taxation; creating new provisions; and amending ORS 307.325 and 307.400.

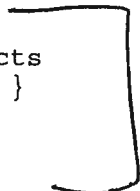
Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 307.325 is amended to read:

307.325. (1) The items of personal property described in subsection (2) of this section which, on the assessment date, are owned and in the actual or constructive possession of the farmer who produced them or who has procured them for use or consumption in the farm operations of the farmer, shall be exempt from taxation.

(2) The items referred to in subsection (1) of this section are as follows:

- (a) Grain.
- (b) Seed.
- (c) Hay.
- (d) Fruit.
- (e) Vegetables.
- (f) Nuts.
- (g) Hops.
- (h) Wool.
- (i) Fish.
- (j) Poultry held primarily for sale for human consumption.
- (k) Butter, cheese and evaporated, condensed or concentrated milk.
- (L) Mint.
- (m) Bivalve mollusks.
- { + (n) Wine grapes. + }



SECTION 2. ORS 307.400 is amended to read:

307.400. (1) Livestock, poultry, fur-bearing animals and bees are exempt from ad valorem taxation.

(2) All inventory shall be exempt from ad valorem taxation.

(3) As used in subsection (2) of this section, 'inventory' means the following tangible personal property:

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

(b) Farm machinery and equipment used primarily for the purpose of feeding, breeding, management and sale of, or the produce of, livestock, poultry, fur-bearing animals or bees or for dairying and the sale of dairy products; or

(c) Farm machinery and equipment used primarily in any other agricultural or horticultural use or animal husbandry or any combination thereof; or

(d) Items of tangible personal property, including but not limited to, tools, machinery and equipment, owned by or in the possession or under the control of the taxpayer that are used by the taxpayer predominantly in the construction, reconstruction, maintenance, repair, support or operation of that farm machinery, equipment and other real and personal farm improvements, that are:

(A) Owned by or in the possession or under the control of the taxpayer; and

(B) Used primarily in the animal husbandry, agricultural or horticultural activities, or combination of animal husbandry, agricultural or horticultural activities, carried on by the taxpayer; or

(e) Center pivots, wheel lines, movable set lines; or

(f) Items of tangible personal property described as materials, supplies, containers, goods in process, finished goods and other personal property owned by or in possession of the taxpayer, that are or will become part of the stock in trade of the taxpayer held for sale in the ordinary course of business { + ; or + }

{ - . - }

{ + (g) Machinery and equipment used in the process of making wine if the winery is located in an exclusive farm use zone and the winery owner is growing at least five acres of wine grapes on land that is assessed under ORS 308.370 (1). + }

(4) As used in this section:

(a) 'Center pivot' means a piece of self-propelled machinery that rotates around a riser for the purpose of sprinkling a circular tract of land. 'Center pivot' includes all of the component parts of the center pivot irrigation system that are ordinarily located above the ground on the land to be irrigated and that can be disconnected from the riser and moved to another point. A center pivot constitutes personal property.

(b) 'Center pivot irrigation system' means an irrigation system that uses pumping stations and pipelines to convey water from its source to a riser to which a center pivot may be connected and used for sprinkling.

(c) 'Riser' means a pipe located in the field to be irrigated that rises vertically up through the surface of the ground.

(5) The following are exempt from ad valorem taxation:

(a) Frost control systems used in agricultural or horticultural activities carried on by the farmer.

(b) Trellises used for hops, beans or fruit or for other agricultural or horticultural purposes.

(c) Hop harvesting equipment, including but not limited to, hop pickers.

(d) Oyster racks, trays, stakes and other in-water structures used to raise bivalve mollusks.

(e) Equipment used for the fresh shell egg industry that is directly related and reasonably necessary to produce, prepare, package and ship fresh shell eggs from the place of origin to market, whether bolted to the floor, wired or plumbed to interconnected equipment, including, but not limited to, grain bins, conveyors for transporting grain, grain grinding machinery, feed storage hoppers, cages, egg collection conveyors and equipment for washing, drying, candling, grading, packaging and shipping fresh shell eggs.

(6) There shall be exempt from ad valorem taxation the radio communications equipment, meteorological equipment and other personal property used in connection with the operation of the field burning smoke management program established under ORS 468A.555 to 468A.620 and 468A.992.

SECTION 3. { + The amendments to ORS 307.325 and 307.400 by sections 1 and 2 of this 1999 Act apply to tax years beginning on or after July 1, 2000. + }

SECTION 4. { + If Senate Bill 248 becomes law, section 2 of this 1999 Act (amending ORS 307.400) is repealed and ORS 307.400 is amended to read: + }

307.400. (1) Livestock, poultry, fur-bearing animals and bees are exempt from ad valorem taxation.

(2) All inventory shall be exempt from ad valorem taxation.

(3) As used in subsection (2) of this section, 'inventory ' means the following tangible personal property:

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

(b) Farm machinery and equipment used primarily for the purpose of feeding, breeding, management and sale of, or the produce of, livestock, poultry, fur-bearing animals or bees or for dairying and the sale of dairy products; or

(c) Farm machinery and equipment used primarily in any other agricultural or horticultural use or animal husbandry or any combination thereof; or

(d) Items of tangible personal property, including but not limited to, tools, machinery and equipment, owned by or in the possession or under the control of the taxpayer that are used by the taxpayer predominantly in the construction, reconstruction, maintenance, repair, support or operation of that farm machinery, equipment and other real and personal farm improvements, that are:

(A) Owned by or in the possession or under the control of the taxpayer; and

(B) Used primarily in the animal husbandry, agricultural or horticultural activities, or combination of animal husbandry, agricultural or horticultural activities, carried on by the taxpayer; or

(e) Center pivots, wheel lines, movable set lines; or

(f) Items of tangible personal property described as materials, supplies, containers, goods in process, finished goods and other personal property owned by or in possession of the taxpayer, that are or will become part of the stock in trade of the taxpayer held for sale in the ordinary course of business { - . - }

{ + ; or

(g) Machinery and equipment used in the process of making wine

if the winery is located in an exclusive farm use zone and the winery owner is growing at least five acres of wine grapes on land that is assessed under section 5, chapter ____, Oregon Laws 1999 (Enrolled Senate Bill 248). + }

(4) As used in this section:

(a) 'Center pivot' means a piece of self-propelled machinery that rotates around a riser for the purpose of sprinkling a circular tract of land. 'Center pivot' includes all of the component parts of the center pivot irrigation system that are ordinarily located above the ground on the land to be irrigated and that can be disconnected from the riser and moved to another point. A center pivot constitutes personal property.

(b) 'Center pivot irrigation system' means an irrigation system that uses pumping stations and pipelines to convey water from its source to a riser to which a center pivot may be connected and used for sprinkling.

(c) 'Riser' means a pipe located in the field to be irrigated that rises vertically up through the surface of the ground.

(5) The following are exempt from ad valorem taxation:

(a) Frost control systems used in agricultural or horticultural activities carried on by the farmer.

(b) Trellises used for hops, beans or fruit or for other agricultural or horticultural purposes.

(c) Hop harvesting equipment, including but not limited to, hop pickers.

(d) Oyster racks, trays, stakes and other in-water structures used to raise bivalve mollusks.

(e) Equipment used for the fresh shell egg industry that is directly related and reasonably necessary to produce, prepare, package and ship fresh shell eggs from the place of origin to market, whether bolted to the floor, wired or plumbed to interconnected equipment, including, but not limited to, grain bins, conveyors for transporting grain, grain grinding machinery, feed storage hoppers, cages, egg collection conveyors and equipment for washing, drying, candling, grading, packaging and shipping fresh shell eggs.

(6) There shall be exempt from ad valorem taxation the radio communications equipment, meteorological equipment and other personal property used in connection with the operation of the field burning smoke management program established under ORS 468A.555 to 468A.620 and 468A.992.

SECTION 5. If Senate Bill 248 becomes law, section 3 of this 1999 Act is amended to read:

{ + Sec. 3. + } The amendments to ORS 307.325 and 307.400 by sections 1 and { - 2 - } { + 4 + } of this 1999 Act apply to tax years beginning on or after July 1, 2000.

4 of 12 DOCUMENTS

Statesman Journal (Salem, OR)

July 26, 1999 Monday

Rejected legislation

BYLINE: Staff

SECTION: SPECIAL; Pg. 5F

LENGTH: 580 words

Highlights of the bills vetoed so far by Gov. John Kitzhaber:

House bills

HB 2415: Allow a tax credit for donors to ongoing political action committees operated by interest groups.

HB 2452: Provide a \$1 million-a-year tax break for the timber industry.

HB 2474: Change procedures for developers to appeal land-use conditions imposed on them.

HB 2566: Provide \$10 million in grants to high-growth school districts.

HB 2652: Prohibit Department of Environmental Quality from requiring permits for certain kinds of pollution runoff from agricultural operations.

HB 2657: Prohibit cities and counties from imposing construction excise tax.

HB 2792: Provide additional property tax relief to seniors on fixed incomes.

HB 3028: Revise criteria for state and local governments to adopt regulations to protect farmland.

HB 3031: Prohibit Board of Dentistry from investigating complaints against dentists five years after conduct occurs.

HB 3065: Restore water permit that had been yanked from the Grants Pass Irrigation District.

HB 3131: Overturn Fish and Wildlife Commission decision disallowing fish mitigation plans at Milltown Hill Dam in Douglas County.

HB 3259: Allow schools to be built on farmland in urban reserve areas.

HB 3346: Require Water Resources Department to conduct sediment study before ordering removal of a dam.

HB 3541: Prohibit state agencies from adopting greenhouse gas rules until U.S. Senate approves Kyoto Accord.

HB 3595: Exempt attorneys with offices outside the city or county from paying Portland's or Multnomah County's business tax if the only business they conduct is at the county courthouse.

HB 5022: Budget for higher education.

HB 5055: Budget for Oregon Youth Authority.

HB 5057: Budget for Agricultural Experiment Station, OSU Extension Service and Forest Research Laboratory.

HB 5060: Budget for Engineering and Technology Industry Council.

Senate bills

SB 3: Put new state women's prison at Umatilla.

SB 229: Remove limit on number of off-track betting sites.

SB 259: Provide income tax refunds during the current two-year budget to re-tired federal workers who were not covered by a recent court settlement.

SB 474: Declare new state policy that land-use laws are to be applied to pri-vate property in the least restrictive manner possible.

SB 483: Provide \$2 million for system that uses computers to link drivers with people who need door-to-door transportation by car or van.

SB 595: Provide personal property tax exemption to wineries operating in ex-clusive farm use zones.

SB 675: Revises authority of Department of Environmental Quality to manage water quality in Oregon.

SB 811: Allow holders of concealed weapon permits from neighboring states to obtain Oregon permit without having to establish an Oregon residence.

SB 849: Revise Oregon Department of Transportation's authority over frontage and utility roads.

SB 887: Require school districts to adopt "Eddie Eagle" gun safety program.

SB 987: Require Legislature's permission to remove any dam.

SB 988: Require Department of Fish and Wildlife to apply for transfer of fed-eral authority to state to manage marine mammals.

SB 989: Prohibit state from agreeing to federal acquisition of land or water without consent of county government.

SB 1115: Give farmers more power to dismiss workers who strike or slow down on the job.

SB 1166: Narrow eligibility for Outstanding Resource Water Designation to es-sentially pristine waters.

LOAD-DATE: August 29, 2003

LANGUAGE: ENGLISH

6 of 12 DOCUMENTS

The Oregonian

JUNE 29, 1999 Tuesday SUNRISE EDITION

HOT TOPICS HOUSE APPROVES GIVING WINERIES A TASTE OF A TAX BREAK

SOURCE: JAMES MAYER The Oregonian LAURA OPPENHEIMER The Oregonian JEFF MAPES The Oregonian

SECTION: LOCAL STORIES; GRAPHICS; Pg. B08, TRACKING THE LEGISLATURE

LENGTH: 1065 words

DATELINE: SALEM

HOT TOPICS

House approves giving wineries a taste of a tax break

-- The House on Monday approved a tax break for wineries that supporters say clarifies existing law. Critics say it would open the door for other exemptions.

Senate Bill 595 would exempt wine grapes and wine-making equipment from personal property taxes if the winery is in an exclusive forest zone and on land with at least five acres of grapes.

Farm crops and the equipment required to plant and harvest them already are exempt from personal property taxes. Equipment used to manufacture products derived from farming is subject to the tax. For example, milking machinery on a dairy is exempt, but a cheese-making factory off the farm would not be.

Rep. Bill Witt, R-Cedar Mill, said courts have issued conflicting decisions about whether wine-making equipment is exempt, and SB595 would make it clear.

Opponents, such as Rep. Diane Rosenbaum, D-Portland, said that if the bill becomes law, many other industries would ask for the same deal next session.

Local governments and schools, primarily in the wine country of Yamhill County, would lose about \$186,000 a year with the bill. The House voted 47-4 in favor of the bill after rejecting a compromise that would have given local governments the option of adopting the exemption.

The bill goes back to the Senate for action on amendments.

In a letter to the House Revenue Committee, Gov. John Kitzhaber expressed concern about the Legislature granting property tax breaks such as SB595 that reduce local government revenue. He said he supports state reimbursement for local tax losses and giving local government the option.

-- James Mayer

House votes to create explosives certification process

SALEM -- The House on Monday voted 43-15 to set up a certification process for possession, transportation and storage of explosives.

Supporters of House Bill 3190 said that under current law, police and fire officials cannot enforce regulations for explosives. Opponents, mostly from rural communities, said certification would increase bureaucracy in a system that's already too complex, making it more difficult for farmers to use explosives.

A number of dangerous incidents in recent years prompted the bill, said Rep. Floyd Prozanski, D-Eugene, its sponsor. During the past five years, Oregon State Police bomb technicians have removed and destroyed more than 14,000 pounds of high explosives.

The bill would authorize the state fire marshal to grant three-year certificates after an applicant passes an examination, a criminal background check and an inspection. It would boost the application fee from \$15 to \$50 for a three-year certificate.

The measure would require owners to register storage devices called magazines with the state and to notify state officials when a magazine is moved. The bill, which goes to the Senate, does not apply to fireworks, black powder, smokeless powder, small-arms ammunition and fertilizer.

-- Laura Oppenheimer

Compromise pesticide tracking bill passes subcommittee

SALEM -- A legislative subcommittee on Monday approved a bill that would track pesticide use in the state after a deal was worked out on paying for the new program.

The measure, House Bill 3602, is a compromise supported by Gov. John Kitzhaber, pesticide lobbyists and the environmental activists who brought the issue to the Legislature.

The bill would have the Department of Agriculture develop a program requiring commercial pesticide applicators -- including farmers -- to report which chemicals they're using and how. The names of individual users would not be made public, but supporters of the bill hope it would provide researchers crucial information about the effect of pesticides on human health and the environment.

HB3602 passed the Joint Ways and Means Subcommittee on Natural Resources after the panel found \$280,000 to start the program over the next two years. About \$180,000 would be raised with higher fees paid by pesticide manufacturers. The other \$100,000 would come from the general fund.

"I think we're coming to the middle," said Sen. Ted Ferrioli, R-John Day, the panel's chairman, noting that environmentalists and pesticide users would find something to dislike in the bill.

The measure goes to the full Ways and Means Committee and, if approved, to the House floor.

-- Jeff Mapes

COMING UP

Today's committee hearings: 7:30 a.m., Senate Judiciary, HB2229 [child support], HB2349 [HIV and other communicable diseases], HB2352 [HB2354], HB2706 [liens], HB2937 [forfeiture proceeds], HB3489 [farm-use zones], HCR11 [Macpherson], SJR21 [initiatives], Hearing Room B.

Note: Committees normally request that 25 copies of prepared testimony and exhibits be given to support staff when testimony is given, but the requirements vary. Contact the Legislature to get the requirements. CONTACTS

The Legislature: Toll-free outside Salem: 800-332-2313 From Salem: 986-1187 From out-of-state: 503-986-1187 On the Internet: www.leg.state.or.us/

Legislative leaders: Senate President Brady Adams, R-Grants Pass, 986-1600 Senate Majority Leader Gene Derfler, R-Salem, 986-1950 Senate Minority Leader Kate Brown, D-Portland, 986-1700 House Speaker Lynn Snodgrass, R-Damascus, 986-1200 House Majority Leader Steve Harper, R-Klamath Falls, 986-1400 House Minority Leader Kitty Piercy, D-Eugene, 986-1900

Gov. John Kitzhaber: Phone: 503-378-3111 Fax: 503-378-4863 Internet: www.governor.state.or.us/governor.html

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* Labor commissioner: Jack Roberts. Phone: 503-731-4070. Internet: www.boli.state.or.us.

* Schools superintendent: Stan Bunn. Phone: 503-378-4772. Internet: www.ode.state.or.us.

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LANGUAGE: ENGLISH

TYPE: Column Oregon

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