

House Bill 4066

Sponsored by Representative GILLIAM; Representatives BENTZ, BREWER, HARKER, LINDSAY, READ, Senators HASS, MORSE, STARR (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 **as introduced**.

For purposes of central assessment, excludes from definition of "communication" data transmission services provided through contractual arrangement with person that transmits data through tangible property owned or controlled by that person.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of centrally assessed property; creating new provisions; amending ORS 308.505;
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 308.505 is amended to read:

6 308.505. As used in ORS 308.505 to 308.665:

7 (1) "Car" or "railcar" means a vehicle adapted to the rails of a railroad.

8 (2) "Centrally assessed" means the assessment of property by the Department of Revenue under
9 ORS 308.505 to 308.665.

10 (3)(a) "Communication" includes telephone communication and data transmission services by
11 whatever means provided.

12 **(b) Notwithstanding paragraph (a) of this subsection, "communication" does not include**
13 **data transmission services provided through a contractual arrangement with a person that**
14 **transmits the data through tangible property that the person owns or controls.**

15 **(c) The exclusion under paragraph (b) of this subsection does not apply to the trans-**
16 **mission of data by a person through tangible property that the person owns or controls.**

17 (4) "Inland water" means all water or waters within the State of Oregon, all interstate rivers
18 touching Oregon and all tidewaters extending to the ocean bars.

19 (5) "Interstate" means transit between the State of Oregon and:

20 (a) Another state;

21 (b) A district, territory or possession of the United States; or

22 (c) A foreign country.

23 (6) "Large private railcar company" means a private railcar company with personal property
24 with a real market value for the tax year that exceeds \$1 million.

25 (7) "Locally assessed" means the assessment of property for property tax purposes by the county
26 assessor that is not conducted under ORS 308.505 to 308.665.

27 (8) "Person," "company," "corporation" or "association" means any person, group of persons,
28 whether organized or unorganized, firm, joint stock company, association, cooperative or mutual
29 organization, people's utility district, joint operating agency as defined in ORS 262.005, syndicate,
30 entity formed to partner or combine public and private interests, partnership or corporation engaged

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 in performing or maintaining any business or service or in selling any commodity as set forth in
 2 ORS 308.515, whether or not the activity is pursuant to any franchise and whether or not the person
 3 or other entity or combination of entities possesses characteristics of limited or unlimited liability.

4 (9) "Property":

5 (a) Means all property of any kind, whether real, personal, tangible or intangible, that is used
 6 or held by a company as owner, occupant, lessee or otherwise, for the performance or maintenance
 7 of a business or service or for the sale of a commodity, as described in ORS 308.515;

8 (b) Includes, but is not limited to, the lands and buildings, rights of way, roadbed, water powers,
 9 vehicles, cars, rolling stock, tracks, office furniture, telephone and transmission lines, poles, wires,
 10 conduits, switchboards, machinery, appliances, appurtenances, docks, watercraft irrespective of the
 11 place of registry or enrollment, merchandise, inventories, tools, equipment, machinery, franchises
 12 and special franchises, work in progress and all other goods or chattels; and

13 (c) Does not include items of intangible property that represent:

14 (A) Claims on other property, including money at interest, bonds, notes, claims, demands or any
 15 other evidence of indebtedness, secured or unsecured; or

16 (B) Any shares of stock in corporations, joint stock companies or associations.

17 (10) "Property having situs in this state" means all property, real and personal, of a company,
 18 owned, leased, used, operated or occupied by it and situated wholly within this state, and, as de-
 19 termined under ORS 308.550 and 308.640, the proportion of the movable, transitory or migratory
 20 personal property owned, leased, used, operated or occupied by a company, including but not limited
 21 to watercraft, aircraft, rolling stock, vehicles and construction equipment, as is used partly within
 22 and partly outside of this state.

23 (11) "Small private railcar company" means a private railcar company with personal property
 24 with a real market value for the tax year that does not exceed \$1 million.

25 (12) "Transportation" means carrying, conveying or moving passengers or property from one
 26 place to another.

27 (13) "Vehicle" means any wheeled or tracked device used in transportation under, on or in
 28 connection with the physical surface of the earth.

29 **SECTION 2. The amendments to ORS 308.505 by section 1 of this 2012 Act apply to**
 30 **property tax years beginning on or after July 1, 2009.**

31 **SECTION 3. For property tax years beginning on or after July 1, 2009, and before July**
 32 **1, 2012:**

33 (1) **If tax on any exempt value has not been paid, the tax and any interest are abated.**

34 (2) **If tax on any exempt value has been paid, the tax collector shall notify the governing**
 35 **body of the county of the refund required under ORS 308.505 to 308.665. Upon receipt of no-**
 36 **tice from the tax collector, the governing body shall cause a refund of the tax and any fee**
 37 **and interest paid to be made from the refund reserve account, if the county has established**
 38 **a refund reserve account under ORS 311.807, or from the unsegregated tax collections ac-**
 39 **count described in ORS 311.385. The refund under this subsection shall be made without in-**
 40 **terest. The county assessor and the tax collector shall make the necessary corrections in the**
 41 **records of their offices.**

42 **SECTION 4. This 2012 Act takes effect on the 91st day after the date on which the 2012**
 43 **regular session of the Seventy-sixth Legislative Assembly adjourns sine die.**