

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action:	Do pass as amended and be printed engrossed
Vote:	7-0-2
Yeas:	Berger, Butler, Gelsner, Read, Rosenbaum, Witt, Barnhart
Nays:	
Exc.:	Bruun, Olson
Prepared By:	Mary Ayala, Economist
Meeting Dates:	4/17, 5/9

WHAT THE MEASURE DOES: Exempts tangible or intangible property, property rights or property interests of Oregon utilities in or related to electric utility lines and referenced in certain agreements. Applies to tax years beginning on or after July 1, 2007. Takes effect 91 days after sine die.

ISSUES DISCUSSED:

- That SB 31 enacted during the 2005 session granted an exemption on the property and property rights of out-of-state city owned, electric utilities and coops for their use of the Pacific NW Intertie in Oregon; but omitted in-state co-ops from a similar exemption.
- That unlike the in-state coops, the out-of state entities that were granted the exemption in 2005 owned no tangible property in Oregon.
- Restricting the exemption to property related to the NW Pacific Intertie.

EFFECT OF COMMITTEE AMENDMENTS: Restricts the exemption to property related to the Pacific NW Intertie.

BACKGROUND: In 2005, the Legislature enacted a law that exempted from property tax any intangible or tangible property, property rights or property interests in or related to the Pacific NW. Intertie, as referenced in a written agreement between the U.S. Department of Energy and a city of any state, other than a city in Oregon. The exemption covered out-of state, city-owned utilities that were transmitting excess power over the Intertie to geographic areas outside of Oregon; and these entities had not nexus or physical presence in Oregon.