

House Bill 2945

Sponsored by Representative BUTLER; Representatives HOLVEY, OLSON, WITT

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**.

Extends property tax exemption for certain property interests in electric transmission lines to electric cooperatives providing service outside this state. Applies to tax years beginning on or after date of execution of written capacity ownership agreement and tax years beginning on or after July 1, 2007.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation; creating new provisions; amending ORS 307.090; and prescribing an effective
3 date.

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

5 **SECTION 1.** ORS 307.090 is amended to read:

6 307.090. (1) Except as provided by law, all property of the state and all public or corporate
7 property used or intended for corporate purposes of the several counties, cities, towns, school dis-
8 tricts, irrigation districts, drainage districts, ports, water districts, housing authorities and all other
9 public or municipal corporations in this state, is exempt from taxation.

10 (2) Any city may agree with any school district to make payments in lieu of taxes on all prop-
11 erty of the city located in any such school district, and which is exempt from taxation under sub-
12 section (1) of this section when such property is outside the boundaries of the city and owned, used
13 or operated for the production, transmission, distribution or furnishing of electric power or energy
14 or electric service for or to the public.

15 (3)(a) **As used in this subsection:**

16 (A) **"Beneficial owner" means a subscriber to a fixed share of capacity available from the**
17 **Pacific Northwest AC Intertie who is contractually liable for the net costs, including prop-**
18 **erty taxes, of the fixed share.**

19 (B) **"Electric cooperative" means a cooperative corporation with a principal business of**
20 **constructing, maintaining and operating an electric transmission and distribution system for**
21 **the benefit of the cooperative corporation and that has no other principal business or pur-**
22 **pose.**

23 (C) **"Subscription interest" means the capacity available from the Pacific Northwest AC**
24 **Intertie for the fixed share of a beneficial owner.**

25 (b) Notwithstanding ORS 308.505 to 308.665, the property described in paragraph [(b)] (c) of this
26 subsection is exempt from taxation if the owner **or beneficial owner** of the property described in
27 paragraph [(b)] (c) of this subsection is a city, [or] public entity **or not-for-profit electric coop-**
28 **erative** of a state other than Oregon and the city, [or] public entity **or not-for-profit electric co-**
29 **operative** does not own a fee title interest in any real property in Oregon.

30 [(b)] (c) The property that is subject to exemption under paragraph [(a)] (b) of this subsection

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 is tangible or intangible property, property rights or property interests, **or subscription interests**
2 **in such property, rights or interests**, in or related to the Pacific Northwest AC Intertie, as ref-
3 erenced in a written capacity ownership agreement executed before November 4, 2005, between the
4 United States Department of Energy and the city, [or] public entity, **not-for-profit electric coop-**
5 **erative or not-for-profit entity that includes a not-for-profit electric cooperative** described in
6 paragraph [(a)] (b) of this subsection.

7 **SECTION 2.** (1) The amendments to ORS 307.090 by section 1 of this 2007 Act apply to:

8 (a) Any tax year beginning on or after the date on which a written capacity ownership
9 agreement described in ORS 307.090 (3) is executed; and

10 (b) Any tax year beginning on or after July 1, 2007.

11 (2) Notwithstanding subsection (1) of this section, nothing in this section or the amend-
12 ments to ORS 307.090 by section 1 of this 2007 Act shall be construed as entitling a person
13 to a refund of taxes paid prior to the effective date of this 2007 Act on any tangible or in-
14 tangible property, property rights or property interests.

15 **SECTION 3.** This 2007 Act takes effect on the 91st day after the date on which the reg-
16 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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