

Senate Bill 495

Sponsored by COMMITTEE ON FINANCE AND 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 **as introduced**.

Exempts tangible or intangible property, property rights or property interests of Oregon utilities in or related to certain electric transmission lines and referenced in certain agreements from property taxation.

Applies to tax years beginning on or after date of execution of agreement and tax years beginning on or after July 1, 2009.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of interests in electric transmission lines; creating new provisions; amending
3 ORS 307.090; and prescribing an effective 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) Notwithstanding ORS 308.505 to 308.665, the property described in paragraph (b) of this
16 subsection is exempt from taxation if the owner of the property described in paragraph (b) of this
17 subsection is a city or public entity of a state other than Oregon and the city or public entity does
18 not own a fee title interest in any real property in Oregon.

19 (b) The property that is subject to exemption under paragraph (a) of this subsection is tangible
20 or intangible property, property rights or property interests in or related to the Pacific Northwest
21 AC Intertie, as referenced in a written capacity ownership agreement executed before November 4,
22 2005, between the United States Department of Energy and the city or public entity described in
23 paragraph (a) of this subsection.

24 **(4)(a) Notwithstanding ORS 308.505 to 308.665, the property described in paragraph (b) of**
25 **this subsection is exempt from taxation if the owner of the property described in paragraph**
26 **(b) of this subsection is:**

27 **(A) A city, county or local service district located in this state;**

28 **(B) A people's utility district organized under ORS chapter 261;**

29 **(C) An electric cooperative organized under ORS chapter 62; or**

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 **(D) A joint operating agency for electric power organized under ORS chapter 262.**

2 **(b) The property that is subject to exemption under paragraph (a) of this subsection is**
3 **tangible or intangible property, property rights or property interests in or related to the**
4 **Pacific Northwest AC Intertie, as referenced in a written capacity ownership agreement ex-**
5 **ecuted before the effective date of this 2009 Act between the United States Department of**
6 **Energy or an entity with a fee title interest in the property and the entity described in par-**
7 **agraph (a) of this subsection.**

8 **SECTION 2.** **(1) The amendments to ORS 307.090 by section 1 of this 2009 Act apply to:**

9 **(a) Any tax year beginning on or after the date a written capacity ownership agreement**
10 **described in ORS 307.090 (4) is executed; and**

11 **(b) Any tax year beginning on or after July 1, 2009.**

12 **(2) Notwithstanding subsection (1) of this section, nothing in this section or the amend-**
13 **ments to ORS 307.090 by section 1 of this 2009 Act may be construed as entitling a person**
14 **to a refund of taxes paid prior to the effective date of this 2009 Act on any tangible or in-**
15 **tangible property, property rights or property interests.**

16 **SECTION 3.** **This 2009 Act takes effect on the 91st day after the date on which the reg-**
17 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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