

D R A F T

SUMMARY

Defines “information services” to mean offering capability to generate, acquire, store, transform, process, retrieve, utilize or make available information through communications, including electronic publishing.

Exempts person from assessment of centrally assessed property to extent that person provides information services to consumers by means of agreements for telephone communication, data transmission or broadband access services.

Applies to property 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 centrally assessed property; creating new provisions;
3 amending ORS 308.505 and 308.517; 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 Depart-
9 ment of Revenue under ORS 308.505 to 308.665.

10 (3) “Communication” includes telephone communication and data trans-
11 mission services by whatever means provided.

12 (4) **“Information services” means offering the capability to gener-
13 ate, acquire, store, transform, process, retrieve, utilize or make
14 available information through communications, including electronic
15 publishing. “Information services” does not mean the transmission
16 between or among points specified by a consumer of information of the
17 consumer’s choosing without change in the form or content of the**

1 **information.**

2 [(4)] (5) “Inland water” means all water or waters within the State of
3 Oregon, all interstate rivers touching Oregon and all tidewaters extending
4 to the ocean bars.

5 [(5)] (6) “Interstate” means transit between the State of Oregon and:

6 (a) Another state;

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

8 (c) A foreign country.

9 [(6)] (7) “Large private railcar company” means a private railcar company
10 with personal property with a real market value for the tax year that exceeds
11 \$1 million.

12 [(7)] (8) “Locally assessed” means the assessment of property for property
13 tax purposes by the county assessor that is not conducted under ORS 308.505
14 to 308.665.

15 [(8)] (9) “Person,” “company,” “corporation” or “association” means any
16 person, group of persons, whether organized or unorganized, firm, joint stock
17 company, association, cooperative or mutual organization, people’s utility
18 district, joint operating agency as defined in ORS 262.005, syndicate, entity
19 formed to partner or combine public and private interests, partnership or
20 corporation engaged in performing or maintaining any business or service
21 or in selling any commodity as set forth in ORS 308.515, whether or not the
22 activity is pursuant to any franchise and whether or not the person or other
23 entity or combination of entities possesses characteristics of limited or un-
24 limited liability.

25 [(9)] (10) “Property”:

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

30 (b) Includes, but is not limited to, the lands and buildings, rights of way,
31 roadbed, water powers, vehicles, cars, rolling stock, tracks, office furniture,

1 telephone and transmission lines, poles, wires, conduits, switchboards, ma-
2 chinery, appliances, appurtenances, docks, watercraft irrespective of the
3 place of registry or enrollment, merchandise, inventories, tools, equipment,
4 machinery, franchises and special franchises, work in progress and all other
5 goods or chattels; and

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

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

10 (B) Any shares of stock in corporations, joint stock companies or associ-
11 ations.

12 [(10)] (11) "Property having situs in this state" means all property, real
13 and personal, of a company, owned, leased, used, operated or occupied by it
14 and situated wholly within this state, and, as determined under ORS 308.550
15 and 308.640, the proportion of the movable, transitory or migratory personal
16 property owned, leased, used, operated or occupied by a company, including
17 but not limited to watercraft, aircraft, rolling stock, vehicles and con-
18 struction equipment, as is used partly within and partly outside of this state.

19 [(11)] (12) "Small private railcar company" means a private railcar com-
20 pany with personal property with a real market value for the tax year that
21 does not exceed \$1 million.

22 [(12)] (13) "Transportation" means carrying, conveying or moving passen-
23 gers or property from one place to another.

24 [(13)] (14) "Vehicle" means any wheeled or tracked device used in trans-
25 portation under, on or in connection with the physical surface of the earth.

26 **SECTION 2.** ORS 308.517 is amended to read:

27 308.517. (1) Except as provided in subsections (2), [and] (3) **and (5)** of this
28 section, the Department of Revenue shall assess to the property user all
29 property owned, leased, rented, chartered or otherwise held for or used by
30 it in performing a business, service or sale of a commodity enumerated in
31 ORS 308.515.

1 (2) Where any property owned, leased, rented, chartered or otherwise as-
2 signed by an owner, lessor, lessee or user whose property is otherwise subject
3 to ORS 308.505 to 308.665 is leased, rented, chartered or otherwise assigned
4 for the use or benefit of a company which has or thereby has property sub-
5 ject to ORS 308.505 to 308.665, the department may assess the property to
6 either the owner, lessor, lessee or user.

7 (3) Land or buildings that meet all of the following conditions shall be
8 assessed in accordance with law by the assessor of the county in which such
9 property is situated:

10 (a) Situated outside of railroad rights of way or outside of railroad station
11 ground reservations;

12 (b) Leased or rented by a lessor whose property is not subject to ORS
13 308.505 to 308.665, to a company whose property is subject to ORS 308.505 to
14 308.665; and

15 (c) Used as or in connection with airport facilities, general offices, ticket
16 offices, business offices, warehouses, service centers, relay stations, garages,
17 central exchanges, moorage grounds, or well, pump house or substations
18 sites.

19 (4) Except as provided in subsection (3) of this section, any property
20 leased or rented by a lessor whose property is not subject to ORS 308.505 to
21 308.665, to a company whose property is subject to ORS 308.505 to 308.665,
22 shall be assessed, as determined by the department, by the department or the
23 assessor of the county in which such property is situated.

24 **(5) The Department of Revenue may not assess property to a person**
25 **under ORS 308.505 to 308.665 to the extent that the person provides**
26 **information services to consumers by means of agreements for tele-**
27 **phone communication, data transmission or broadband access services**
28 **entered into by the person and companies described in ORS 308.515 (1).**

29 [(5)] (6) All property not assessed by the Department of Revenue shall be
30 assessed in accordance with law by the assessor of the county in which such
31 property is situated.

1 **SECTION 3.** The amendments to ORS 308.505 and 308.517 by sections
2 1 and 2 of this 2011 Act apply to property tax years beginning on or
3 after July 1, 2009.

4 **SECTION 4.** This 2011 Act takes effect on the 91st day after the date
5 on which the 2011 session of the Seventy-sixth Legislative Assembly
6 adjourns sine die.

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