

# Senate Bill 751

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**.

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; amending ORS 308.505  
3 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 Department of Revenue under  
9 ORS 308.505 to 308.665.

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

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

17 [(4)] (5) "Inland water" means all water or waters within the State of Oregon, all interstate  
18 rivers touching Oregon and all tidewaters extending to the ocean bars.

19 [(5)] (6) "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)] (7) "Large private railcar company" means a private railcar company with personal prop-  
24 erty with a real market value for the tax year that exceeds \$1 million.

25 [(7)] (8) "Locally assessed" means the assessment of property for property tax purposes by the  
26 county assessor that is not conducted under ORS 308.505 to 308.665.

27 [(8)] (9) "Person," "company," "corporation" or "association" means any person, group of per-  
28 sons, whether organized or unorganized, firm, joint stock company, association, cooperative or mu-

**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 tual organization, people's utility district, joint operating agency as defined in ORS 262.005,  
 2 syndicate, entity formed to partner or combine public and private interests, partnership or corpo-  
 3 ration engaged in performing or maintaining any business or service or in selling any commodity  
 4 as set forth in ORS 308.515, whether or not the activity is pursuant to any franchise and whether  
 5 or not the person or other entity or combination of entities possesses characteristics of limited or  
 6 unlimited liability.

7 [(9)] (10) "Property":

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

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

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

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

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

20 [(10)] (11) "Property having situs in this state" means all property, real and personal, of a  
 21 company, owned, leased, used, operated or occupied by it and situated wholly within this state, and,  
 22 as determined under ORS 308.550 and 308.640, the proportion of the movable, transitory or migratory  
 23 personal property owned, leased, used, operated or occupied by a company, including but not limited  
 24 to watercraft, aircraft, rolling stock, vehicles and construction equipment, as is used partly within  
 25 and partly outside of this state.

26 [(11)] (12) "Small private railcar company" means a private railcar company with personal  
 27 property with a real market value for the tax year that does not exceed \$1 million.

28 [(12)] (13) "Transportation" means carrying, conveying or moving passengers or property from  
 29 one place to another.

30 [(13)] (14) "Vehicle" means any wheeled or tracked device used in transportation under, on or  
 31 in connection with the physical surface of the earth.

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

33 308.517. (1) Except as provided in subsections (2), [and] (3) **and** (5) of this section, the Depart-  
 34 ment of Revenue shall assess to the property user all property owned, leased, rented, chartered or  
 35 otherwise held for or used by it in performing a business, service or sale of a commodity enumerated  
 36 in ORS 308.515.

37 (2) Where any property owned, leased, rented, chartered or otherwise assigned by an owner,  
 38 lessor, lessee or user whose property is otherwise subject to ORS 308.505 to 308.665 is leased,  
 39 rented, chartered or otherwise assigned for the use or benefit of a company which has or thereby  
 40 has property subject to ORS 308.505 to 308.665, the department may assess the property to either  
 41 the owner, lessor, lessee or user.

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

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

45 (b) Leased or rented by a lessor whose property is not subject to ORS 308.505 to 308.665, to a

1 company whose property is subject to ORS 308.505 to 308.665; and

2 (c) Used as or in connection with airport facilities, general offices, ticket offices, business of-  
3 fices, warehouses, service centers, relay stations, garages, central exchanges, moorage grounds, or  
4 well, pump house or substations sites.

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

9 **(5) The Department of Revenue may not assess property to a person under ORS 308.505**  
10 **to 308.665 to the extent that the person provides information services to consumers by means**  
11 **of agreements for telephone communication, data transmission or broadband access services**  
12 **entered into by the person and companies described in ORS 308.515 (1).**

13 [(5)] (6) All property not assessed by the Department of Revenue shall be assessed in accordance  
14 with law by the assessor of the county in which such property is situated.

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

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

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