

SENATE AMENDMENTS TO SENATE BILL 1532

By COMMITTEE ON FINANCE AND REVENUE

February 10

1 On page 1 of the printed bill, line 3, delete “285C.170, 285C.180 and 285C.409;” and insert
2 “308.515;”.

3 Delete lines 5 through 30 and delete pages 2 through 4 and insert:

4 “**SECTION 1.** ORS 308.515 is amended to read:

5 “308.515. (1) The Department of Revenue shall make an annual assessment of any property that
6 has a situs in this state and that, except as provided in subsection (3) of this section, is used or held
7 for future use by any company in performing or maintaining any of the following businesses or ser-
8 vices or in selling any of the following commodities, whether in domestic or interstate commerce
9 or in any combination of domestic and interstate commerce, and whether mutually or for hire, sale
10 or consumption by other persons:

11 “(a) Railroad transportation;

12 “(b) Railroad switching and terminal;

13 “(c) Electric rail transportation;

14 “(d) Private railcar transportation;

15 “(e) Air transportation;

16 “(f) Water transportation upon inland water of the State of Oregon;

17 “(g) Air or railway express;

18 “(h) Communication;

19 “(i) Heating;

20 “(j) Gas;

21 “(k) Electricity;

22 “(L) Pipeline;

23 “(m) Toll bridge; or

24 “(n) Private railcars of all companies not otherwise listed in this subsection, if the private
25 railcars are rented, leased or used in railroad transportation for hire.

26 “(2) The assessment described in subsection (1) of this section shall be made on an assessment
27 roll that is prepared by the division of the department charged with property tax administration.

28 “(3) There may not be assessed under subsection (1) of this section:

29 “(a) Any property used by or for water transportation companies whose watercraft ply exclu-
30 sively on the high seas, or between the high seas and inland water ports or terminals, or any com-
31 bination thereof.

32 “(b) Any property used by or for water transportation companies exclusively for hire by other
33 persons for booming and rafting, dredging, log or marine salvage, ship berthing, maintenance, sludge
34 removal, cleaning or repair, marine or water-based construction, or guide service.

35 “(c) Any property used by or for interstate ferries or by or for water transportation companies

1 as ferries operating directly across interstate rivers.

2 “(d) Any property of the National Railroad Passenger Corporation.

3 “(e) Any aircraft that is required to be registered under ORS 837.040 for all or any part of the
4 calendar year and that is not used to provide scheduled passenger service.

5 “(4) Any corporation included within subsection (1) of this section, to the extent that it actively
6 engages in any business or service not described therein or not incidental to any business or service
7 or sale of a commodity described therein, may not to that extent be deemed a corporation whose
8 properties are assessed under ORS 308.505 to 308.665.

9 “[5] *A company is not a company described in subsection (1) of this section to the extent that the*
10 *company furnishes undiluted liquefied or industrial gas in bottles, tanks or similar containers.]*

11 “[6] *A company is not an electric company under subsection (1) of this section if:*

12 “[a] *The company generates electricity primarily for the company’s own use, but makes incidental*
13 *sales of the company’s surplus electricity; or]*

14 “[b](A) *The company’s generating facility is primarily fueled by wood waste or other biomass*
15 *fuel;]*

16 “[B] *The generating facility has a maximum capacity of 20 megawatts; and]*

17 “[C] *The company, if selling the generated electricity, does so only directly to an electric utility for*
18 *the utility’s distribution to utility customers.]*

19 “[7] (5) The department shall assess property owned, leased or occupied by a legal entity not
20 yet engaged in a business, service or sale of a commodity that is described in subsection (1) of this
21 section if the property is intended for operation or use in the business, service or sale of the com-
22 modity.

23 “[8] *As used in this section, ‘electric utility’ has the meaning given that term in ORS 758.505.]*

24 “**SECTION 2. Section 3 of this 2012 Act is added to and made a part of ORS 308.505 to**
25 **308.665.**

26 “**SECTION 3. (1) A company is not a company described in ORS 308.515 (1) to the extent**
27 **that the company furnishes undiluted liquefied or industrial gas in bottles, tanks or similar**
28 **containers.**

29 “**(2) A company is not a company described in ORS 308.515 (1) if:**

30 “**(a) The company generates electricity primarily for the company’s own use and makes**
31 **no more than incidental sales of the company’s surplus electricity to other persons; or**

32 “**(b)(A) The company’s generating facility is primarily fueled by wood waste or other**
33 **biomass fuel;**

34 “**(B) The generating facility has a maximum capacity of 20 megawatts; and**

35 “**(C) The company, if selling the generated electricity, does so only directly to an electric**
36 **utility, as defined in ORS 758.505, for the electric utility’s distribution to utility customers.**

37 “**(3) A company that is the owner or lessee of a data center is not a company described**
38 **in ORS 308.515 (1) if:**

39 “**(a) The company has entered into a written tax abatement agreement, or is entitled by**
40 **assignment or succession to the benefits of a tax abatement agreement entered into, with**
41 **the sponsors of an enterprise zone with respect to a data center, pursuant to ORS 285C.050**
42 **to 285C.250 or 285C.400 to 285C.420; and**

43 “**(b)(A) The original cost of construction and installation of all real and tangible personal**
44 **property owned or leased by the company in Oregon other than data centers does not equal**
45 **more than five percent of the original cost of the real and tangible personal property of all**

1 data centers owned, leased or used by the company in Oregon and all additions to the data
2 center property; and

3 “(B) The property in Oregon other than data centers described in subparagraph (A) of
4 this paragraph consists of real or tangible personal property used in the operation of an of-
5 fice or a warehouse or in connection with the construction, installation or operation of data
6 center property.

7 “(4)(a) Property of a company described in subsection (3) of this section may not be as-
8 sessed under ORS 308.505 to 308.665 during the term of an exemption granted pursuant to
9 an agreement described in subsection (3)(a) of this section or during the term of any
10 statutorily authorized extensions of the exemption, waivers or periods of in lieu payments.

11 “(b) For purposes of the notations required under ORS 285C.175 (7) and 285C.409 (3), the
12 county assessor shall record the real market value, the assessed value and the amount of
13 potential additional taxes as determined without regard to ORS 308.505 to 308.665.

14 “(5) If a company described in subsection (3) of this section owns or leases a data center
15 in more than one county in this state, each data center must satisfy all applicable require-
16 ments under subsection (3) of this section.

17 “(6)(a) As used in this section:

18 “(A) ‘Data center’ means an online service data center or an independent data center.

19 “(B) ‘Independent data center’ means real and personal property consisting of buildings
20 or structures specifically designed or modified to house networked computers and data and
21 transaction processing equipment and related infrastructure support equipment, including,
22 without limitation, power and cooling equipment, used primarily to provide, as a service to
23 persons other than the company operating the independent data center, data and transaction
24 processing services, outsource information technology services and computer equipment
25 colocation services.

26 “(C) ‘Online service data center’ means real and personal property consisting of buildings
27 or structures specifically designed or modified to house networked computers and data and
28 transaction processing equipment and related infrastructure support equipment, including,
29 without limitation, power and cooling equipment, used primarily to provide, to a single user,
30 including the user’s affiliates, customers, lessees, vendors and other persons authorized by
31 the user, data and transaction processing services.

32 “(b) For purposes of this subsection, the primary use of property is based on the relative
33 proportion of the original cost of property used for all purposes.

34 “SECTION 4. Section 3 of this 2012 Act applies to property tax years beginning on or af-
35 ter July 1, 2012.

36 “SECTION 5. This 2012 Act takes effect on the 91st day after the date on which the 2012
37 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.”.