

**PROPOSED AMENDMENTS TO  
SENATE BILL 1532**

1 On page 1 of the printed bill, line 3, delete “285C.170, 285C.180 and  
2 285C.409;” and insert “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  
6 of any property that has a situs in this state and that, except as provided in  
7 subsection (3) of this section, is used or held for future use by any company  
8 in performing or maintaining any of the following businesses or services or  
9 in selling any of the following commodities, whether in domestic or inter-  
10 state commerce or in any combination of domestic and interstate commerce,  
11 and whether mutually or for hire, sale or consumption by other persons:

12 “(a) Railroad transportation;

13 “(b) Railroad switching and terminal;

14 “(c) Electric rail transportation;

15 “(d) Private railcar transportation;

16 “(e) Air transportation;

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

18 “(g) Air or railway express;

19 “(h) Communication;

20 “(i) Heating;

21 “(j) Gas;

22 “(k) Electricity;

1 “(L) Pipeline;

2 “(m) Toll bridge; or

3 “(n) Private railcars of all companies not otherwise listed in this sub-  
4 section, if the private railcars are rented, leased or used in railroad trans-  
5 portation for hire.

6 “(2) The assessment described in subsection (1) of this section shall be  
7 made on an assessment roll that is prepared by the division of the depart-  
8 ment charged with property tax administration.

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

10 “(a) Any property used by or for water transportation companies whose  
11 watercraft ply exclusively on the high seas, or between the high seas and  
12 inland water ports or terminals, or any combination thereof.

13 “(b) Any property used by or for water transportation companies exclu-  
14 sively for hire by other persons for booming and rafting, dredging, log or  
15 marine salvage, ship berthing, maintenance, sludge removal, cleaning or re-  
16 pair, marine or water-based construction, or guide service.

17 “(c) Any property used by or for interstate ferries or by or for water  
18 transportation companies as ferries operating directly across interstate riv-  
19 ers.

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

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

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

29 “[5] *A company is not a company described in subsection (1) of this section*  
30 *to the extent that the company furnishes undiluted liquefied or industrial gas*

1 *in bottles, tanks or similar containers.]*

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

4 *“(a) The company generates electricity primarily for the company’s own*  
5 *use, but makes incidental sales of the company’s surplus electricity; or]*

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

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

10 *“(C) The company, if selling the generated electricity, does so only directly*  
11 *to an electric utility for the utility’s distribution to utility customers.]*

12 *“(7) (5) The department shall assess property owned, leased or occupied*  
13 *by a legal entity not yet engaged in a business, service or sale of a com-*  
14 *modity that is described in subsection (1) of this section if the property is*  
15 *intended for operation or use in the business, service or sale of the com-*  
16 *modity.*

17 *“(8) As used in this section, ‘electric utility’ has the meaning given that*  
18 *term in ORS 758.505.]*

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

21 **“SECTION 3. (1) A company is not a company described in ORS**  
22 **308.515 (1) to the extent that the company furnishes undiluted liquefied**  
23 **or industrial gas in bottles, tanks or similar containers.**

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

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

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

30 **“(B) The generating facility has a maximum capacity of 20 mega-**

1 watts; and

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

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

7 “(a) The company has entered into a written tax abatement agree-  
8 ment, or is entitled by assignment or succession to the benefits of a  
9 tax abatement agreement entered into, with the sponsors of an enter-  
10 prise zone with respect to a data center, pursuant to ORS 285C.050 to  
11 285C.250 or 285C.400 to 285C.420; and

12 “(b)(A) The original cost of construction and installation of all real  
13 and tangible personal property owned or leased by the company in  
14 Oregon other than data centers does not equal more than five percent  
15 of the original cost of the real and tangible personal property of all  
16 data centers owned, leased or used by the company in Oregon and all  
17 additions to the data center property; and

18 “(B) The property in Oregon other than data centers described in  
19 subparagraph (A) of this paragraph consists of real or tangible per-  
20 sonal property used in the operation of an office or a warehouse or in  
21 connection with the construction, installation or operation of data  
22 center property.

23 “(4)(a) Property of a company described in subsection (3) of this  
24 section may not be assessed under ORS 308.505 to 308.665 during the  
25 term of an exemption granted pursuant to an agreement described in  
26 subsection (3)(a) of this section or during the term of any statutorily  
27 authorized extensions of the exemption, waivers or periods of in lieu  
28 payments.

29 “(b) For purposes of the notations required under ORS 285C.175 (7)  
30 and 285C.409 (3), the county assessor shall record the real market

1 value, the assessed value and the amount of potential additional taxes  
2 as determined without regard to ORS 308.505 to 308.665.

3 “(5) If a company described in subsection (3) of this section owns  
4 or leases a data center in more than one county in this state, each  
5 data center must satisfy all applicable requirements under subsection  
6 (3) of this section.

7 “(6)(a) As used in this section:

8 “(A) ‘Data center’ means an online service data center or an inde-  
9 pendent data center.

10 “(B) ‘Independent data center’ means real and personal property  
11 consisting of buildings or structures specifically designed or modified  
12 to house networked computers and data and transaction processing  
13 equipment and related infrastructure support equipment, including,  
14 without limitation, power and cooling equipment, used primarily to  
15 provide, as a service to persons other than the company operating the  
16 independent data center, data and transaction processing services,  
17 outsource information technology services and computer equipment  
18 colocation services.

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

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

30 “SECTION 4. Section 3 of this 2012 Act applies to property tax years

1 **beginning on or after July 1, 2012.**

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

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