

SB 611 Conceptual Framework

1. Changes which apply to all centrally assessed properties
 - a. Creates alternative cap based historic cost of system wide tangible property multiplied by 1.3. Also establishes floor equal to 5% of total Oregon value.
 - b. Exempts franchise fees from total valuation.
 - c. Franchise fee and existing FCC license exemption do not apply to cap calculation.

2. Special Exemption for Qualified Projects
 - a. Projects must provide state of the art communication infrastructure that meets standards established by the PUC.
 - b. If the investment receives certification for a qualified infrastructure investment it will be valued for property tax purposes as the greater of:
 - i. A yet to be determined \$ amount, or
 - ii. The total real market value of tangible real and personal property the company has in Oregon.

3. Clarification of Tax Treatment for Companies with Data Centers in Oregon
 - a. Owning and operating a data center in Oregon does not constitute communications activity for purposes of central assessment
 - b. Companies that primarily operate data centers in the state and have less than 10% of their other activities in communication related areas are not communications companies for purposes of central assessment.
 - c. Retail trade activity and energy related activities are not communications related activities for purposes of the 10% threshold.