

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 611 - A11

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

Prepared by: Theresa McHugh  
Reviewed by: John Borden  
Date: March 19, 2015

### **Measure Description:**

Creates new exemptions available to companies subject to central assessment or companies that are subject to central assessment that complete, maintain and operate a qualified project in Oregon.

### **Government Unit(s) Affected:**

Department of Revenue (DOR) and Public Utility Commission (PUC)

### **Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

### **Analysis:**

SB 611-A11 creates exemption options for centrally assessed companies and excludes data centers and other specified properties from central assessment, including if a company completes, maintains and operates a qualified project in Oregon. The measure applies to property tax years beginning on or after July 1, 2016. The bill outlines responsibilities for the Public Utility Commission (PUC) and the Department of Revenue (DOR) to implement the provisions of the bill and establishes a fee of \$50,000 for any company applying for the exemption. The bill specifies that the fee is to pay the PUC for the costs of reviewing the application and DOR for the costs of appraising the property of the company submitting the application, and specifies that the fee revenue would be divided equally between the agencies.

Responsibilities of DOR under the bill include:

- Modify reporting requirements for centrally assessed companies to include additional information and election decisions
- Weigh a number of factors to determine which option provides the most benefit to eligible companies
- Process county data and produce a report to be sent to the PUC

Responsibilities of PUC under the bill include:

- Adopt rules establishing criteria for determining eligibility
- Reviewing applications for qualification
- Consult with any city that has entered into a franchise fee agreement with a company applying for the exemption
- Submit an annual report to the Legislature of specified data received from the counties regarding the exemption

The costs to implement the bill are indeterminate because they are dependent upon how many companies apply and are determined to be eligible for the exemption. DOR believes that the revenue generated by the application fee would be sufficient to cover their costs, but has not determined a potential dollar amount associated with the new responsibilities. DOR expects that an adjustment to their 2015-17 budget will be needed to cover the costs of the bill. The PUC has estimated a cost of \$24,460 in the 2015-17 biennium and \$25,563 in the 2017-19 biennium. The cost to local government is anticipated to be minimal.