

SB 611A-11 Key Elements

- Changes Applicable to All Centrally Assessed Properties
 - Creates alternative cap based on historic cost of system wide tangible property multiplied by 1.3. Also establishes floor equal to 5% of total Oregon value for those companies with no tangible property.
 - Exempts from real market value the booked value of franchises.
 - Exempts booked value of satellites when used in conjunction with FCC licenses.
 - Exemptions do not apply to cap calculation.
 - Makes data centers locally assessed if total value exceeds \$200 million.

- Special Exemption for Qualified Projects
 - Projects must meet specified capacity speed and access standards.
 - Projects must be certified by the PUC.
 - If the investment receives certification for a qualified infrastructure investment it will be valued for property tax purposes as the greater of:
 - \$250 million, or
 - The total real market value of tangible real and personal property the company has in Oregon.
 - Imposes application fee to cover agency costs.

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

- Property Tax Revenue Implications:
 - 2014-15 central assessment collections
 - \$250.1 million current total
 - \$28.7 million in deferred billing credits
 - \$278.8 million total with deferred billing credits
 - Projections from total including deferred billing credits:
 - 2015-17: -\$7.8 million
 - 2017-19: -\$16.0 million