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The League of Oregon Cities urges your support of SB 611-- the central assessment bill

The area of central assessment property tax law is complex and it is even more complicated as it is placed on top of the Measure 5 and 50 construct. This structure has made amendment and improvement of this law very difficult.

The League recognizes the hard work of the **Senate Finance and Revenue Committee** members, and particularly the bipartisan leadership of the **Chair, Sen. Mark Hass** and his staff and **Vice-Chair, Sen. Brian Boquist** to put the bill framework together. Revision of the central assessment tax code has been under discussion for over 15 years, but this year, SB 611 could make discussed improvement needs finally a reality.

The bill as amended, **retains the three key elements of the Senate's version of the bill: 1)** provides needed legal clarity and assurance to businesses that data centers will not be centrally assessed; **2)** provides a tax incentive for businesses that provide high speed fiber optic services; and **3)** provides new exemptions for centrally assessed companies, including a cap on taxed intangible property and a new exemption for the franchises of cable and internet companies.

The House Revenue Committee's amendments yesterday improved and clarified all three of these elements, but most **significantly, the amendments lowered the revenue loss by more than half to cities, counties, special districts and schools** by altering the accounting method for the new franchise exemption. The revenue loss associated with SB 611 was reduced from \$16.2 million the first year to \$7.8 million with the amendment. The League had long supported the data center and high speed fiber pieces of the bill but had been advocating for revisions to lower the revenue loss.

The League of Oregon Cities thanks the House Revenue Committee for hearing the concerns and amending the bill to indeed lower the revenue loss. In addition, the House Committee's accounting adjustment (from AV to RMV) puts cable and internet business' new exemption in **close parity** with the exemption in existing law provided to wireless companies for their FCC license. **The League sees the revisions as a win to business, local government and schools.**

The League applauds and thanks the **House Revenue Committee members**, and the **Chair, Rep. Phil Barnhart** and his staff for their leadership and for quickly hearing and working to improve this complex bill. The League also thanks **House Republican Leader, Rep. Mike McLane** who worked to advocate for the needs of rural cities to timely clarify and extend the data center provisions in the bill. Data centers have provided crucial jobs and revenues to struggling communities, including Prineville, and this bill ensures continued building and job growth in this industry.

Lastly, the League thanks the staff of the **DOR, the Governor's office, LRO, and LC** who tirelessly worked through complex formulas, assessment data, and the like since the beginning of session to make this bill possible.

The League of Oregon Cities asks for your support of SB 611.

The League of Oregon Cities is an association of all 242 cities in Oregon. Oregon's cities are home to 70% of all Oregonians and 80% of the state's jobs and income tax collections.