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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 since it is placed on top of the Measure 5 and 50 property tax construct. This structure has made amendment and improvement of this law very difficult.

The League applauds and 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** for putting this bill together and making it a priority. Revision of the central assessment tax code has been under discussion for over 15 years, but this year, SB 611 would make discussed improvement needs finally a reality.

The bill as amended in the House **retains the 3 key elements and framework of the Senate's version of the bill:**

- provides needed legal clarity and assurance to businesses that data centers will not be centrally assessed;
- provides a tax incentive for businesses that provide high speed fiber optic services; and
- 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 last week make modest tweaks and improvements in all three of these elements, but most **significantly, the House amendments lowered the revenue loss to cities, counties, special districts and schools** by more than half by simply altering the accounting method for the new franchise exemption. The House's accounting adjustment put 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 also applauds and thanks the **House Revenue Committee members and Chair, Rep. Phil Barnhart** and his staff for quickly hearing and working to improve this complex bill. The League also thanks and applauds the work of **House Republican Leader, Rep. Mike McLane** who worked in both the House and Senate to advocate for the needs of rural cities to timely clarify and extend the data center exemptions 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 of Oregon Cities thanks the staff of **LRO, LC, and DOR** who tirelessly worked through complex formulas, assessment data, and the like since the beginning of session on this bill. **In short, the bill facilitates new economic development and reduces uncompetitive provisions in the tax code while maintaining crucial property tax revenues. 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.*