

STAFF MEASURE SUMMARY

CARRIER: Sen. Hass

Senate Committee On Finance and Revenue

**Fiscal:** No Fiscal Impact

**Revenue:** Revenue impact issued

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**Action Date:** 03/31/15

**Action:** Do Pass With Amendments. (Printed A-Eng.)

**Meeting Dates:** 03/26, 03/31

**Vote:**

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

**Prepared By:** Kyle Easton, Economist

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**WHAT THE MEASURE DOES:**

Clarifies that refund made for correction in property taxes owed resulting from appeal is made to individual who filed the appeal. Aligns time limitation for property tax refunds with time limitation for roll corrections (five years). Authorizes refund due to proration of taxes for destroyed or damaged property and clarifies refund is made to applicant of the proration. Extends certain property tax rules currently applicable to manufactured structures to floating homes. Increases threshold for cancelling delinquent property taxes from five to ten dollars, aligning with current threshold for refunds. Takes effect 91 days following adjournment sine die.

Amends Enrolled Senate Bill 611 (2015) to require qualifying capital investment in communication infrastructure to enable company to offer communication services, including the capacity to provide, at least, approximately one gigabit per second symmetrical service. Modifies exemption time period to be the period during which an owner maintains and operates the qualified project.

**ISSUES DISCUSSED:**

- No substantive change to tax of floating homes
- Removal of property tax barriers to new communication projects
- Incentives for high tech companies to invest and build super broad band projects

**EFFECT OF COMMITTEE AMENDMENT:**

Modifies SB 611 capacity requirement language of capital investment exemption. Requires infrastructure of qualifying project to enable the company to offer communication services, including the capacity to provide, at least, approximately one gigabit per second symmetrical service, to a majority of the residential customers of the company's broadband services. Modifies exemption time period. Exemption granted to be the period during which an owner maintains and operates the qualified project.

**BACKGROUND:**

SB 611 creates and makes available new exemptions to companies subject to central assessment. For companies receiving an exemption related to a new qualified project, Oregon allocated value will be based upon the greater of \$250 million or the real market value of real and tangible personal property located in Oregon as of the assessment date. Changes to SB 611 included in this measure, relate to the qualification criteria for the communication capital investment exemption included in SB 611 and the time period the exemption is available.

House Bill 2485 is a housekeeping bill relating to tax collection and refunds. The changes by the measure are described below.

Changes refund statutes so refunds are directed to individual that paid the tax, which may not be the current owner of the property as refunds are currently directed.

Bill directs property tax refunds resulting from destroyed or damaged property proration to be refunded to the person who requested the proration. Bill applies an existing minimum refund law provision to refunds resulting from destroyed or damaged property proration. Amounts less than \$10 are not required to be refunded.

It aligns the timing of refunds with tax change period of five years. Under current law, certain corrections to tax records can be made on accounts for five years, however timing of refund may not allow for refund to be issued going back the full five years. This can lead to instances where a refund is determined to be due, but the refund cannot be processed because the timelines are not the same.

The bill allows tax collector to provide mortgagee of a floating home a copy of property tax statement require to be mailed to taxpayer. Treats refunds of property taxes relating to floating homes the same as manufactured structures.

Gives county governing body ability to cancel delinquent real and personal property taxes \$10 or less. This aligns minimum to collect amount, currently \$5, with \$10 minimum to refund amount.