

**PROPOSED AMENDMENTS TO
HOUSE BILL 2485**

1 On page 1 of the printed bill, line 3, after “311.808” insert “and section
2 5, chapter _____, Oregon Laws 2015 (Enrolled Senate Bill 611)”.

3 On page 5, after line 8, insert:

4 **“SECTION 7.** If Senate Bill 611 becomes law, section 5, chapter _____,
5 Oregon Laws 2015 (Enrolled Senate Bill 611), is amended to read:

6 **“Sec. 5.** (1) Subject to section 2 [*of this 2015 Act*], **chapter _____,**
7 **Oregon Laws 2015 (Enrolled Senate Bill 611)**, the property of a company
8 described in ORS 308.515 (1) shall be granted an exemption under subsection
9 (5) of this section if the company builds, maintains and operates a qualified
10 project in Oregon.

11 “(2) A project is qualified under this section if:

12 “(a) The project requires capital investment in newly constructed or in-
13 stalled real or tangible personal property constituting infrastructure that
14 enables the company to offer communication services, including [*a capacity*
15 *of at least*] **the capacity to provide, at least, approximately** one gigabit
16 per second symmetrical service, to a majority of the residential customers
17 of the company’s broadband services; and

18 “(b) With respect to communication services offered by the company using
19 the infrastructure, the company does not deny access to the communication
20 services to any group of residential customers because of the income level
21 of the residential customers in the local service area in which the residential
22 customers reside.

1 “(3)(a) A company seeking the exemption granted under this section must
2 submit an application to the Public Utility Commission, with a copy to the
3 Department of Revenue, on or before January 15 preceding the first property
4 tax year for which the exemption is sought.

5 “(b) The application must include:

6 “(A) A certification that the project meets the requirements of subsection
7 (2) of this section; and

8 “(B) An application fee of \$50,000.

9 “(c) The application fee shall be distributed evenly to the commission and
10 the department to reimburse the commission for the costs of reviewing the
11 application and the department for the costs of appraising the property of
12 the company submitting the application.

13 “(4)(a) On or before March 1 of the year in which the application is sub-
14 mitted under subsection (3) of this section, the commission shall determine
15 whether the project is a qualified project.

16 “(b) During the period in which the commission is making a determi-
17 nation under this subsection:

18 “(A) The commission may discuss the information included in the appli-
19 cation with the company and the department;

20 “(B) The commission shall consult with any city with which the company
21 has entered into a franchise fee agreement to provide services to which the
22 application relates;

23 “(C) The company may amend the application; and

24 “(D) Upon request of the company, the commission may grant an exten-
25 sion of not more than two weeks for a determination under this subsection.

26 “(c) If the commission determines that the project is not a qualified
27 project, the application may not be approved. The commission shall notify
28 the company of the negative determination and state the reasons.

29 “(d) If the commission determines that the project is a qualified project:

30 “(A) The application shall be approved.

1 “(B) The commission shall notify the company, the department and the
2 assessor of each county in which the project is located of the approval.

3 “(C) Subject to section 2 [*of this 2015 Act*], **chapter _____, Oregon**
4 **Laws 2015 (Enrolled Senate Bill 611)**, the property of the company shall
5 be granted the exemption under subsection (5) of this section beginning with
6 the first property tax year that begins after the date of the determination.

7 “(5)(a) The property of a company described in subsection (1) of this sec-
8 tion shall be granted an exemption for a property tax year in an amount
9 equal to the positive value, if any, obtained by subtracting from the real
10 market value of the company’s real property and tangible and intangible
11 personal property, including property that would otherwise be assessed under
12 section 8 [*of this 2015 Act*], **chapter _____, Oregon Laws 2015 (Enrolled**
13 **Senate Bill 611)**, that is allocated to Oregon and included in the unit subject
14 to central assessment, reduced by the portion of the value of any exemption
15 elected under ORS 307.126 that is allocated to Oregon, an amount equal to
16 the greater of \$250 million or the real market value of the company’s real
17 and tangible personal property located in Oregon as of the assessment date,
18 without reduction for any exemption elected under ORS 307.126.

19 “(b) The exemption shall be granted for [*the lesser of 20 consecutive prop-*
20 *erty tax years or*] the period during which an owner maintains and operates
21 the qualified project.

22 “(6) If the amount determined under subsection (5)(a) of this section is
23 not positive, subject to section 2 [*of this 2015 Act*], **chapter _____, Oregon**
24 **Laws 2015 (Enrolled Senate Bill 611)**, the real market value of the
25 company’s real property and tangible and intangible personal property, ex-
26 cluding property that is assessed under section 8 [*of this 2015 Act*], **chapter**
27 **_____, Oregon Laws 2015 (Enrolled Senate Bill 611)**, allocated to Oregon
28 and included in the unit subject to central assessment, reduced by the por-
29 tion of the value of any exemption elected under ORS 307.126 that is allo-
30 cated to Oregon, shall be the real market value of the company’s property

1 allocated to Oregon for the property tax year.

2 “(7)(a) If the property of a company is granted an exemption under this
3 section for a property tax year, the property is not eligible for any other
4 exemption from ad valorem property taxation for the property tax year.

5 “(b) Notwithstanding paragraph (a) of this subsection:

6 “(A) An exemption granted under ORS 307.126 to property that is granted
7 an exemption under this section shall be allowed in the manner provided
8 under this section and ORS 307.126.

9 “(B) An exemption granted under this section for a property tax year has
10 no effect on the benefits that the property of the company or the company
11 may be granted under ORS chapter 285C or ORS 307.123 for the property tax
12 year.”.

13 In line 9, delete “7” and insert “8”.

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