

House Bill 2684

Sponsored by Representative NOSSE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Repeals exemption for property of company that builds, maintains and operates project constituting certain communication services infrastructure.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax exemption for the property of a company that builds certain communication services
3 infrastructure; creating new provisions; amending ORS 308.519 and 308.674 and section 11,
4 chapter 23, Oregon Laws 2015; repealing ORS 308.673, 308.677 and 308.681; and prescribing an
5 effective date.

6 **Be It Enacted by the People of the State of Oregon:**

7 **SECTION 1. ORS 308.673, 308.677 and 308.681 are repealed.**

8 **SECTION 2.** ORS 308.519 is amended to read:

9 308.519. (1) The following real and tangible personal property used or held for future use by a
10 company described in subsection (2) of this section shall be locally assessed:

11 (a) Property constituting a data center or used in connection with the operation of data center
12 property;

13 (b) Property used on the data center property to generate electricity; and

14 (c) Electricity generated by property described in paragraph (b) of this subsection.

15 (2) Subsection (1) of this section applies to a company that is:

16 (a) Not a company described in ORS 308.515 (1); or

17 (b) A company described in ORS 308.515 (1) [*and*] **if** the historical or original cost of the real
18 and tangible personal property of all data centers owned, leased or used by the company in Oregon
19 and all additions to the data center property, excluding property described in subsection (1)(b) and
20 (c) of this section, is equal to or greater than \$200 million.

21 (3)[(a)] For purposes of ORS 308.505 to 308.681, property described in subsection (1) of this sec-
22 tion, and intangible personal property that is related to the property, may not be included in any
23 unit subject to central assessment.

24 [(b) *Notwithstanding paragraph (a) of this subsection, property that is used or held for future use*
25 *by a company whose property is granted an exemption under ORS 308.677 and that would otherwise*
26 *be assessed under this section shall be assessed under ORS 308.677.*]

27 **SECTION 3.** ORS 308.674 is amended to read:

28 308.674. (1) [*Subject to ORS 308.673,*] The property of a company described in ORS 308.515 (1)
29 shall be granted an exemption in the amount of the positive value, if any, obtained by subtracting
30 from the real market value of the company's real property and tangible and intangible personal
31 property included in the unit subject to central assessment, reduced by the amount of any exemption

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 elected under ORS 308.671, an amount equal to the historical or original cost of the company's real
 2 property and tangible personal property included in the unit subject to central assessment, without
 3 reduction for any exemption elected under ORS 308.671, multiplied by 130 percent.

4 (2) If the amount determined under subsection (1) of this section is not positive, [*subject to ORS*
 5 *308.673,*] the real market value of the company's real property and tangible and intangible personal
 6 property included in the unit subject to central assessment, reduced by the amount of any exemption
 7 elected under ORS 308.671, shall be the real market value of the company's property for the property
 8 tax year.

9 (3) Notwithstanding subsection (1) of this section, an exemption granted under this section may
 10 not exceed an amount equal to 95 percent of the real market value of the company's real property
 11 and tangible and intangible personal property included in the unit subject to central assessment.

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

15 (b) Notwithstanding paragraph (a) of this subsection:

16 (A) An exemption granted under ORS 308.671 to property that is granted an exemption under
 17 this section shall be allowed in the manner provided under this section and ORS 308.671.

18 (B) An exemption granted under this section for a property tax year has no effect on the benefits
 19 that the property of the company or the company may be granted under ORS chapter 285C or ORS
 20 307.123 for the property tax year.

21 **SECTION 4.** Section 11, chapter 23, Oregon Laws 2015, is amended to read:

22 **Sec. 11.** (1) [*Sections 8 and 10 of this 2015 Act*] **ORS 308.518 and 308.519** and the amendments
 23 to ORS 308.505 and 308.516 by sections 7 and 9, **chapter 23, Oregon Laws 2015,** [*of this 2015 Act*]
 24 apply to property tax years beginning on or after July 1, 2015.

25 (2) [*Sections 2, 3, 5 and 6 of this 2015 Act*] **ORS 308.674** and the amendments to [*ORS 307.126*
 26 *by section 4 of this 2015 Act*] **ORS 308.671 by section 4, chapter 23, Oregon Laws 2015,** apply to
 27 property tax years beginning on or after July 1, 2016.

28 **SECTION 5. The amendments to ORS 308.519 and 308.674 and section 11, chapter 23,**
 29 **Oregon Laws 2015, by sections 2 to 4 of this 2019 Act and the repeal of ORS 308.673, 308.677**
 30 **and 308.681 by section 1 of this 2019 Act apply to property tax years beginning on or after**
 31 **July 1, 2019.**

32 **SECTION 6. This 2019 Act takes effect on the 91st day after the date on which the 2019**
 33 **regular session of the Eightieth Legislative Assembly adjourns sine die.**