

**SB 153 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Sub-Referral To:** Joint Committee On Tax Expenditures

**Meeting Dates:** 2/9

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**WHAT THE MEASURE DOES:**

Extends exemption to certain ports for property used or held for use to provide common carrier rail freight service to shippers. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Normally public property becomes taxable when leased to a taxable entity. This exemption allows a port owner maintain tax exempt status of the property even upon execution of a contract for third party operation of port rail lines, when the contract provides common carrier rail freight service to shippers. According to the most recent Tax Expenditure Report by the Department of Revenue, no property is currently using this exemption.