

2.015 CERTAIN PROPERTY OWNED BY A PORT

Oregon Statute: 307.110(3)(j) and note following 307.110

Sunset Date: 06-30-2023

Year Enacted: 2013

2019-20 Estimated Reduction in the Taxable Assessed Value: \$0

	Loss	Shift
2019-21 Revenue Impact:	\$0	\$0
2021-23 Revenue Impact:	\$0	\$0

DESCRIPTION: Property owned by a port that is used or held for future use by an entity other than the port pursuant to an agreement that obligates the entity to provide common carrier rail freight service to shippers is exempt from property tax. Normally, port property (as well as other public property) when leased to a taxable entity (such as a private business) would then become subject to property taxes.

The port must be organized under ORS chapter 777, have a board of commissioners appointed by the Governor, and be located in a county with a population of less than 450,000.

PURPOSE: The statute that allows this expenditure does not explicitly state a purpose. According to the legislative staff revenue impact statement for HB 3276 (2013), the purpose of this provision "...is to encourage infrastructure investment and operating agreements by ports in Oregon that help to retain and improve competitive multimodal transportation connections for Oregon communities and businesses. The investments would lay the groundwork for future economic development related to industrial and natural resource commodity movement."

WHO BENEFITS: No property is currently using this exemption. The Oregon International Port of Coos Bay is the only port meeting the conditions of this statute. The port itself currently operates rail service that was previously contracted out to a private business.

Previously, in tax year 2017 - 2018, when this property was leased out to a private company, the tax revenue loss to local governments in the Coos Bay Taxing district was \$600,000 and in addition, \$100,000 was shifted onto other taxpayers. In the fall of 2020, the US Department of Transportation notified the Oregon International Port of Coos Bay that it will receive a \$10 million grant through the federal Port and Infrastructure Development Program for a project along the Coos Bay Rail Line.