

## HB 2331 -1 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Meeting Dates:** 2/23, 4/13

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#### **WHAT THE MEASURE DOES:**

Excludes over-the-air broadcasting from meaning of “communication” for purposes of central assessment for property taxation. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- The meaning of over-the-air broadcasting.
- Functional process of central assessment.
- Recent history of central assessment.
- Local tax revenue issues.
- Types of business structures that are centrally assessed.

#### **EFFECT OF AMENDMENT:**

-1 Replaces central assessment exception for "over the air broadcasting" properties with exception for services of television and radio stations licensed by the Federal Communications Commission that use primarily earth-based transmitters to broadcast programming via radio waves to television or radio receivers that use indoor or outdoor antennas for reception.

#### **BACKGROUND:**

The default for property taxation in Oregon is assessment by the county assessors, and taxation by local taxing districts. However, certain connected and communications property is centrally assessed by the Oregon Department of Revenue. Property not included in central assessment would be, by default, assessed and taxed locally. The determination of centrally assessed property is described in Oregon Statute 308.505 which identifies and defines property subject to central assessment. For these properties, the Department assigns value to the property as components of an integrated system. Currently, communication property is centrally assessed. While equipment used for over-the-air broadcasting is not specified by name, neither is it excluded explicitly from central assessment.

Property in Oregon is taxed by local taxing districts based on the assessment of the county assessors. However, large commercial and industrial properties are assessed by the Department of Revenue through the central assessment process. Oregon Statute 308.505 identifies and defines property subject to central assessment. Included in the class of property that is centrally assessed are certain connected and communications property. Oregon Department of Revenue assigns value to the property as components of an integrated system. Currently, communication property is centrally assessed, however, equipment used for over-the-air broadcasting is not specified by name. The Department has not historically centrally assessed television and radio station property, but is likely to go forward.