

D R A F T

SUMMARY

Repeals property tax exemption for certain communication infrastructure.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to property tax exemption for certain communication infrastructure;
creating new provisions; amending ORS 308.519 and 308.674 and section
11, chapter 23, Oregon Laws 2015; repealing ORS 308.673, 308.677 and
308.681; and prescribing an effective date.

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

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 ORS 308.673, 308.677 and 308.681 are repealed.

SECTION 2. ORS 308.519 is amended to read:

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

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

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

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

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

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

(b) A company described in ORS 308.515 (1) and the historical or original
cost of the real and tangible personal property of all data centers owned,
leased or used by the company in Oregon and all additions to the data center

property, excluding property described in subsection (1)(b) and (c) of this section, is equal to or greater than \$200 million.

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

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

SECTION 3. ORS 308.674 is amended to read:

308.674. (1) [Subject to ORS 308.673,] The property of a company described in ORS 308.515 (1) shall be granted an exemption in the amount of the positive value, if any, obtained by subtracting from the real market value of the company's real property and tangible and intangible personal property included in the unit subject to central assessment, reduced by the amount of any exemption elected under ORS 308.671, an amount equal to the historical or original cost of the company's real property and tangible personal property included in the unit subject to central assessment, without reduction for any exemption elected under ORS 308.671, multiplied by 130 percent.

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

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

(4)(a) If the property of a company is granted an exemption under this

section for a property tax year, the property is not eligible for any other exemption from ad valorem property taxation for the property tax year.

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

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

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

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

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

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

SECTION 5. The amendments to ORS 308.519 and 308.674 and section 11, chapter 23, Oregon Laws 2015, by sections 2 to 4 of this 2017 Act and the repeal of ORS 308.673, 308.677 and 308.681 by section 1 of this 2017 Act apply to property tax years beginning on or after July 1, 2015.

SECTION 6. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.