

SENATE AMENDMENTS TO SENATE BILL 936

By COMMITTEE ON BUSINESS AND TRANSPORTATION

April 24

- 1 On page 1 of the printed bill, delete lines 5 through 30.
- 2 On page 2, delete lines 1 through 23 and insert:
- 3 “**SECTION 1.** ORS 307.123 is amended to read:
- 4 “307.123. (1) Except as provided in subsection [(3)] (4) of this section, real or personal property
- 5 that the Oregon Business Development Commission, acting pursuant to ORS 285C.606, has deter-
- 6 mined is an eligible project under ORS 285C.600 to 285C.635 shall be subject to assessment and
- 7 taxation as [follows:] **provided in this section.**
- 8 “[*(a)*] (2)(a) [*That portion*] **The following portions** of the real market value of the eligible
- 9 project [*that equals the minimum cost of the project under ORS 285C.606 (1)(c)*], increased annually
- 10 for growth at the rate of three percent, shall be taxable at the taxable portion’s assessed value un-
- 11 der ORS 308.146[.]:
- 12 “(A) **The minimum cost of the project under ORS 285C.606 (1)(c)(A); or**
- 13 “(B) **If the project is located in a rural area as defined in ORS 285C.600:**
- 14 “(i) **\$25 million for a project with a total cost of not more than \$500 million.**
- 15 “(ii) **\$50 million for a project with a total cost of more than \$500 million and not more**
- 16 **than \$1 billion.**
- 17 “(iii) **\$100 million for a project with a total cost of more than \$1 billion.**
- 18 “(b) The taxable portion of real market value, as adjusted, shall be allocated as follows until the
- 19 entire amount is assigned: first to land, second to buildings, third to real property machinery and
- 20 equipment and last to personal property.
- 21 “[*(b)*] (c) The remainder of the real market value shall be exempt from taxation for a period of
- 22 15 years from the beginning of the tax year after the earliest of the following dates:
- 23 “(A) The date the property is certified for occupancy or, if no certificate of occupancy is issued,
- 24 the date the property is used to produce a product for sale; or
- 25 “(B) The expiration of the exemption for commercial facilities under construction under ORS
- 26 307.330.
- 27 “[*(2)*] (3) If the real market value of the property falls below the value determined under sub-
- 28 section [*(1)(a)*] (2)(a) of this section, the owner or lessee shall pay taxes only on the assessed value
- 29 of the property.
- 30 “[*(3)*] (4) Notwithstanding subsection (1) of this section, real or personal property that has re-
- 31 ceived an exemption under ORS 285C.175 may not be assessed under this section.
- 32 “[*(4)*] (5) The Department of Revenue may adopt rules and prescribe forms that the department
- 33 determines are necessary for administration of this section.
- 34 “[*(5)*] (6) The determination by the Oregon Business Development Commission that a project is
- 35 an eligible project that may receive a tax exemption under this section shall be conclusive, so long

1 as the property included in the eligible project is constructed and installed in accordance with the
2 application approved by the commission.

3 “[6] (7) Notwithstanding subsection (1) of this section, if the owner or lessee of property ex-
4 empt under this section fails to pay the fee required under ORS 285C.609 (4)(b) by the end of the tax
5 year in which it is due, the exemption shall be revoked and the property shall be fully taxable for
6 the following tax year and for each subsequent tax year for which the fee remains unpaid. If an
7 unpaid fee is paid after the exemption is revoked, the property shall again be eligible for the ex-
8 emption provided under this section, beginning with the tax year after the payment is made. Rein-
9 statement of the exemption under this subsection shall not extend the 15-year exemption period
10 provided for in subsection [(1)(b)] (2)(c) of this section.

11 **“SECTION 2. The amendments to ORS 307.123 by section 1 of this 2017 Act apply to**
12 **projects first determined by the Oregon Business Development Commission to be eligible**
13 **projects under ORS 285C.600 to 285C.635 on or after July 1, 2017.”**

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