

House Bill 2331

Sponsored by Representative BONHAM (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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.

A BILL FOR AN ACT

1
2 Relating to over-the-air broadcasting; creating new provisions; amending ORS 308.505; and pre-
3 scribing an effective date.

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

5 **SECTION 1.** ORS 308.505 is amended to read:

6 308.505. As used in ORS 308.505 to 308.674:

7 (1) "Car" or "railcar" means a vehicle adapted to the rails of a railroad.

8 (2) "Centrally assessed" means the assessment of property by the Department of Revenue under
9 ORS 308.505 to 308.674.

10 (3)(a) "Communication" includes telephone communication and data transmission services by
11 whatever means provided.

12 **(b) "Communication" does not include over-the-air broadcasting.**

13 (4) "Data center" means an online service data center or an independent data center.

14 (5) "Data transmission services" does not include providing electronic mail accounts or search
15 engine services solely by means of contractual agreement with another company that owns the
16 transmission property if providing such accounts or services are the only data transmission services
17 provided by the company in Oregon.

18 (6) "Historical or original cost" means all costs incurred by a company in placing property in
19 service for the property's intended use by the company, including, but not limited to, purchase price,
20 freight, engineering fees, legal fees, materials, labor, overhead, taxes, interest, entrepreneurial profit
21 and other fees, expenses and charges related to construction or installation.

22 (7) "Independent data center" means real and personal property consisting of buildings or
23 structures specifically designed or modified to house networked computers and data and transaction
24 processing equipment and related infrastructure support equipment, including, without limitation,
25 power and cooling equipment, used primarily to provide, as a service to persons other than the
26 company operating the independent data center, data and transaction processing services, outsource
27 information technology services and computer equipment colocation services. For purposes of this
28 subsection, the primary use of property is based on the relative proportion of the original cost of
29 property used for all purposes.

30 (8) "Inland water" means all water or waters within the State of Oregon, all interstate rivers
31 touching Oregon and all tidewaters extending to the ocean bars.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 (9) "Interstate" means transit between the State of Oregon and:

- 2 (a) Another state;
- 3 (b) A district, territory or possession of the United States; or
- 4 (c) A foreign country.

5 (10) "Large private railcar company" means a private railcar company with personal property
6 with a real market value for the tax year that exceeds \$1 million.

7 (11) "Locally assessed" means the assessment of property for property tax purposes by the
8 county assessor that is not conducted under ORS 308.505 to 308.674.

9 (12) "Online service data center" means real and personal property consisting of buildings or
10 structures specifically designed or modified to house networked computers and data and transaction
11 processing equipment and related infrastructure support equipment, including, without limitation,
12 power and cooling equipment, used primarily to provide, to a single user, including the user's affil-
13 iates, customers, lessees, vendors and other persons authorized by the user, data and transaction
14 processing services. For purposes of this subsection, the primary use of property is based on the
15 relative proportion of the original cost of property used for all purposes.

16 (13) "Person," "company," "corporation" or "association" means any person, group of persons,
17 whether organized or unorganized, firm, joint stock company, association, cooperative or mutual
18 organization, people's utility district, joint operating agency as defined in ORS 262.005, syndicate,
19 entity formed to partner or combine public and private interests, partnership or corporation engaged
20 in performing or maintaining any business or service or in selling any commodity as set forth in
21 ORS 308.515, whether or not the activity is pursuant to any franchise and whether or not the person
22 or other entity or combination of entities possesses characteristics of limited or unlimited liability.

23 (14) "Property":

24 (a) Means all property of any kind, whether real, personal, tangible or intangible, that is used
25 or held by a company as owner, occupant, lessee or otherwise, for the performance or maintenance
26 of a business or service or for the sale of a commodity, as described in ORS 308.515;

27 (b) Includes, but is not limited to, the lands and buildings, rights of way, roadbed, water powers,
28 vehicles, cars, rolling stock, tracks, office furniture, telephone and transmission lines, poles, wires,
29 conduits, switchboards, machinery, appliances, appurtenances, docks, watercraft irrespective of the
30 place of registry or enrollment, merchandise, inventories, tools, equipment, machinery, franchises
31 and special franchises, work in progress and all other goods or chattels; and

32 (c) Does not include items of intangible property that represent:

33 (A) Claims on other property, including money at interest, bonds, notes, claims, demands or any
34 other evidence of indebtedness, secured or unsecured; or

35 (B) Any shares of stock in corporations, joint stock companies or associations.

36 (15) "Property having situs in this state" means all property, real and personal, of a company,
37 owned, leased, used, operated or occupied by it and situated wholly within this state, and, as de-
38 termined under ORS 308.550 and 308.640, the proportion of the movable, transitory or migratory
39 personal property owned, leased, used, operated or occupied by a company, including but not limited
40 to watercraft, aircraft, rolling stock, vehicles and construction equipment, as is used partly within
41 and partly outside of this state.

42 (16) "Small private railcar company" means a private railcar company with personal property
43 with a real market value for the tax year that does not exceed \$1 million.

44 (17) "Transportation" means carrying, conveying or moving passengers or property from one
45 place to another.

1 (18) "Vehicle" means any wheeled or tracked device used in transportation under, on or in
2 connection with the physical surface of the earth.

3 **SECTION 2. The amendments to ORS 308.505 by section 1 of this 2021 Act apply to**
4 **property tax years beginning on or after July 1, 2021.**

5 **SECTION 3. This 2021 Act takes effect on the 91st day after the date on which the 2021**
6 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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