

SB 465 A STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 6/22, 6/22

WHAT THE MEASURE DOES:

Provides that property of a company that is organized and located outside of this state and exclusively operates a jet boat excursion business on state boundary rivers will no longer be subject to central assessment for property taxation purposes but will be subject to local assessment, if applicable. Applies to property tax years beginning on July 1, 2024. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

There are companies based in Idaho or Washington that sell jet boat excursion tours on the Columbia River or Snake River. These boats occasionally stop at Oregon docks and parks and are centrally assessed under Oregon's property tax system.

“Property having situs in this state” means all property, real and personal, of a company, owned, leased, used, operated or occupied by it and situated wholly within this state, and, as determined under ORS 308.550 and 308.640, the proportion of the movable, transitory or migratory personal property owned, leased, used, operated or occupied by a company, including but not limited to watercraft, aircraft, rolling stock, vehicles and construction equipment, as is used partly within and partly outside of this state.

“Property having situs in this state” may not have the same meaning as property “located in this state”, as used in Section 1(5)(b) of SB 465A. If these terms have the same meaning, then SB 465A would change the proportion of eligible jet boat excursion business property in Oregon that is subject to central assessment to being subject to local assessment. If these terms do not have the same meaning, it is possible that jet boat excursion businesses can have property with situs in Oregon but that is not located in Oregon and therefore would not be subject to any property tax in Oregon, central or local. For example, since the taxing districts to which assessments are apportioned by the county assessor extend to the center of any river channel (ORS 308.565(6)(b)), property in these rivers can have situs in Oregon and not be located in Oregon. On the Columbia River and Snake River, a watercraft can simply cross the boundary at the center of the river channel to cross state lines. The assessment date is January 1, at 1:00 A.M. Property at that point in time, which is assessable by the county assessor, constitutes the assessment roll of the county for the year.

In 2019, an identical bill (SB 785) died in the Senate Committee on Finance and Revenue after a public hearing. In 2021, an identical bill (SB 632) died in the Senate Committee on Finance and Revenue without having a public hearing.