

HOUSE AMENDMENTS TO HOUSE BILL 2349

By COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

May 12

1 On page 1 of the printed bill, line 3, after “285C.606” insert “and 307.123”.

2 On page 2, delete lines 9 through 11 and insert:

3 “**SECTION 2.** ORS 307.123 is amended to read:

4 “307.123. (1) Except as provided in subsection [(3)] (5) of this section, real or personal property
5 that the Oregon Economic and Community Development Commission, acting pursuant to ORS
6 285C.606, has determined is an eligible project under ORS 285C.600 to 285C.620 shall be subject to
7 assessment and taxation as follows:

8 “(a) That portion of the real market value of the eligible project that equals the [*minimum cost*
9 *of the project under ORS 285C.606 (1)(c), increased annually for growth at the rate of three percent,*]
10 **total cost threshold under subsection (2) of this section** shall be taxable at the taxable portion’s
11 assessed value under ORS 308.146. The taxable portion of real market value, as adjusted, shall be
12 allocated as follows until the entire amount is assigned: first to land, second to buildings, third to
13 real property machinery and equipment and last to personal property.

14 “(b) The remainder of the real market value shall be exempt from taxation for a period of 15
15 years from the beginning of the tax year after the earliest of the following dates:

16 “(A) The date the property is certified for occupancy or, if no certificate of occupancy is issued,
17 the date the property is used to produce a product for sale; or

18 “(B) The expiration of the exemption for commercial facilities under construction under ORS
19 307.330.

20 “(2)(a) **If the eligible project is located in a rural area, the total cost threshold shall be**
21 **\$12.5 million, increased by three percent annually.**

22 “(b) **If the eligible project is not described in paragraph (a) of this subsection and the**
23 **total cost of the eligible project is at least \$50 million, but does not exceed \$100 million, the**
24 **total cost threshold shall be \$50 million, increased by three percent annually.**

25 “(c) **If the eligible project is not described in paragraph (a) of this subsection and the**
26 **total cost of the eligible project is more than \$100 million, the total cost threshold shall be**
27 **the lesser of:**

28 “(A) **Fifty percent of the total cost of the eligible project, increased by three percent**
29 **annually; or**

30 “(B) **\$100 million, increased by three percent annually.**

31 “[2] (3) If the real market value of the property **that comprises the eligible project** falls be-
32 low the [*value*] **total cost threshold** determined under subsection [(1)(a)] (2) of this section, **in-**
33 **cluding the three percent annual increases**, the owner or lessee shall pay taxes only on the
34 assessed value of the property.

35 “(4)(a) **The total cost threshold determined under subsection (2) of this section shall be**

1 **modified to take into account property that is added to the eligible project after the assess-**
2 **ment date for the first year in which any portion of the eligible project is exempt under this**
3 **section, if:**

4 **“(A) The eligible project is not located in a rural area; and**

5 **“(B) The cost of property that is added to an eligible project, when added to the total cost**
6 **threshold for the preceding tax year (increased by three percent), would cause a change in**
7 **the total cost threshold under subsection (2) of this section.**

8 **“(b) If the total cost threshold is modified under paragraph (a) of this subsection, the**
9 **total cost threshold for subsequent tax years shall be increased by three percent annually.**

10 **“[(3)] (5) [Notwithstanding subsection (1) of this section,] Real or personal property that has re-**
11 **ceived an exemption under ORS 285C.175 may not be assessed under this section.**

12 **“[(4)] (6) The Department of Revenue may adopt rules and prescribe forms that the department**
13 **determines are necessary for administration of this section.**

14 **“[(5)] (7) The determination by the Oregon Economic and Community Development Commission**
15 **that a project is an eligible project that may receive a tax exemption under this section shall be**
16 **conclusive, [so] as long as the property included in the eligible project is constructed and installed**
17 **in accordance with the application approved by the commission.**

18 **“[(6)] (8) Notwithstanding subsection (1) of this section, if the owner or lessee of property ex-**
19 **empt under this section fails to pay the fee required under ORS 285C.609 (4)(b) by the end of the tax**
20 **year in which it is due, the exemption shall be revoked and the property shall be fully taxable for**
21 **the following tax year and for each subsequent tax year for which the fee remains unpaid. If an**
22 **unpaid fee is paid after the exemption is revoked, the property shall again be eligible for the ex-**
23 **emption provided under this section, beginning with the tax year after the payment is made. Rein-**
24 **statement of the exemption under this subsection shall not extend the 15-year exemption period**
25 **provided for in subsection (1)(b) of this section.**

26 **“SECTION 3. The amendments to ORS 285C.606 and 307.123 by sections 1 and 2 of this**
27 **2005 Act apply to eligible projects for which a determination under ORS 285C.606 (1) is sought**
28 **on or after the effective date of this 2005 Act.”.**