

Enrolled
House Bill 3453

Sponsored by COMMITTEE ON REVENUE

CHAPTER

AN ACT

Relating to centrally assessed property; creating new provisions; and amending ORS 308.515.

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

SECTION 1. ORS 308.515, as amended by section 53, chapter 94, Oregon Laws 2005 (Enrolled House Bill 2446), is amended to read:

308.515. (1) The Department of Revenue shall make an annual assessment of any property that has a situs in this state and that, except as provided in subsection (3) of this section, is used or held for future use by any company in performing or maintaining any of the following businesses or services or in selling any of the following commodities, whether in domestic or interstate commerce or both, and whether mutually, or for hire, sale or consumption by other persons:

- (a) Railroad transportation;
- (b) Railroad switching and terminal;
- (c) Electric rail and trackless trolley transportation;
- (d) Private railcar transportation;
- (e) Air transportation;
- (f) Water transportation upon inland water of the State of Oregon;
- (g) Air or railway express;
- (h) Communication;
- (i) Heating;
- (j) Gas;
- (k) Electricity;
- (L) Pipeline;
- (m) Toll bridge; or

(n) Private railcars of all companies not otherwise listed in this subsection, if the private railcars are rented, leased or used in railroad transportation for hire.

(2) The assessment described in subsection (1) of this section shall be made on an assessment roll that is prepared by the division of the department charged with property tax administration.

(3) *[There may not be assessed]* **The following property is not subject to assessment** under subsection (1) of this section:

(a) Any property used by or for water transportation companies whose watercraft ply exclusively on the high seas, or between the high seas and inland water ports or terminals, or any combination thereof.

(b) Any property used by or for water transportation companies exclusively for hire by other persons for booming and rafting, dredging, log or marine salvage, ship berthing, maintenance, sludge removal, cleaning or repair, marine or water-based construction, or guide service.

(c) Any property used by or for interstate ferries or by or for water transportation companies as ferries operating directly across interstate rivers.

(d) Any property of the National Railroad Passenger Corporation as long as federal law prohibits the National Railroad Passenger Corporation from paying property taxes.

(e) Any aircraft that is required to be registered under ORS 837.040 for all or any part of the calendar year, and that is not used to provide scheduled passenger service.

(f) Any real or personal property, tangible or intangible, whose use arises from a contract between a qualified government entity and an energy marketing company in which the subject of the contract is:

(A) The performance of services and the supply of goods related to the operation of a natural gas-fired combined cycle cogeneration plant owned by a qualified government entity; or

(B) The purchase of energy for resale by an energy marketing company from a qualified government entity, when the energy that is being purchased is generated or distributed by a natural gas-fired combined cycle cogeneration plant owned by a qualified government entity.

(4) For the purposes of this section, ORS 308.256 and 308.550, "inland water" means all water or waters within the State of Oregon, all interstate rivers touching Oregon and all tidewaters extending to the ocean bars.

(5) Any corporation included within subsection (1) of this section, to the extent that it actively engages in any business or service not described therein or not incidental to any business or service or sale of a commodity described therein, may not to that extent be deemed a corporation whose properties are assessed under ORS 308.505 to 308.665.

(6) Any company, to the extent that it furnishes undiluted liquefied or industrial gas in bottles, tanks or similar containers, whether or not through pipe in a gaseous form, is not a gas company under subsection (1) of this section.

(7) A company is not an electric company under subsection (1) of this section if:

(a) The company generates electricity primarily for the company's own use, but makes incidental sales of the company's surplus electricity; or

(b)(A) The company's generating facility is primarily fueled by wood waste or other biomass fuel;

(B) The generating facility has a maximum capacity of 20 megawatts; and

(C) The company, if selling the generated electricity, does so only directly to an electric utility for the utility's distribution to utility customers.

(8) ORS 308.505 to 308.665 shall be construed to subject property owned, leased or occupied by a legal entity not yet engaged in a business, service or sale of a commodity that is described in this section, to assessment by the department, if the property is intended for operation or use in the business, service or sale of a commodity.

(9) As used in this section[,]:

(a) "Electric utility" has the meaning given that term in ORS 758.505.

(b) "Energy marketing company" means a company that:

(A) Operates or manages natural gas-fired combined cycle cogeneration plants; or

(B) Generates, develops, transmits, distributes or purchases energy.

(c) "Qualified government entity" means a city with a population of fewer than 22,000 residents.

SECTION 2. The amendments to ORS 308.515 by section 1 of this 2005 Act apply to tax years beginning on or after July 1, 2006.

Passed by House May 6, 2005

Repassed by House August 4, 2005

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Chief Clerk of House

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Speaker of House

Passed by Senate August 4, 2005

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President of Senate

Received by Governor:

.....M,....., 2005

Approved:

.....M,....., 2005

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Governor

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Secretary of State