

Requested by Senator JOHNSON

**PROPOSED AMENDMENTS TO
SENATE BILL 936**

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
5 or personal property that the Oregon Business Development Commission,
6 acting pursuant to ORS 285C.606, has determined is an eligible project under
7 ORS 285C.600 to 285C.635 shall be subject to assessment and taxation as
8 [follows:] **provided in this section.**

9 “[*(a)*] **(2)(a)** [*That portion*] **The following portions** of the real market
10 value of the eligible project [*that equals the minimum cost of the project un-*
11 *der ORS 285C.606 (1)(c)*], increased annually for growth at the rate of three
12 percent, shall be taxable at the taxable portion’s assessed value under ORS
13 308.146[.]:

14 **“(A) The minimum cost of the project under ORS 285C.606 (1)(c)(A);**
15 **or**

16 **“(B) If the project is located in a rural area as defined in ORS**
17 **285C.600:**

18 **“(i) \$25 million for a project with a total cost of not more than \$500**
19 **million.**

20 **“(ii) \$50 million for a project with a total cost of more than \$500**
21 **million and not more than \$1 billion.**

1 “(iii) **\$100 million for a project with a total cost of more than \$1**
2 **billion.**

3 “(b) The taxable portion of real market value, as adjusted, shall be allo-
4 cated as follows until the entire amount is assigned: first to land, second
5 to buildings, third to real property machinery and equipment and last to
6 personal property.

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

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

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

15 “[(2)] (3) If the real market value of the property falls below the value
16 determined under subsection [(1)(a)] (2)(a) of this section, the owner or
17 lessee shall pay taxes only on the assessed value of the property.

18 “[(3)] (4) Notwithstanding subsection (1) of this section, real or personal
19 property that has received an exemption under ORS 285C.175 may not be
20 assessed under this section.

21 “[(4)] (5) The Department of Revenue may adopt rules and prescribe forms
22 that the department determines are necessary for administration of this sec-
23 tion.

24 “[(5)] (6) The determination by the Oregon Business Development Com-
25 mission that a project is an eligible project that may receive a tax exemption
26 under this section shall be conclusive, so long as the property included in
27 the eligible project is constructed and installed in accordance with the ap-
28 plication approved by the commission.

29 “[(6)] (7) Notwithstanding subsection (1) of this section, if the owner or
30 lessee of property exempt under this section fails to pay the fee required

1 under ORS 285C.609 (4)(b) by the end of the tax year in which it is due, the
2 exemption shall be revoked and the property shall be fully taxable for the
3 following tax year and for each subsequent tax year for which the fee re-
4 mains unpaid. If an unpaid fee is paid after the exemption is revoked, the
5 property shall again be eligible for the exemption provided under this sec-
6 tion, beginning with the tax year after the payment is made. Reinstatement
7 of the exemption under this subsection shall not extend the 15-year ex-
8 emption period provided for in subsection [(1)(b)] (2)(c) of this section.

9 **“SECTION 2. The amendments to ORS 307.123 by section 1 of this**
10 **2017 Act apply to projects first determined by the Oregon Business**
11 **Development Commission to be eligible projects under ORS 285C.600**
12 **to 285C.635 on or after July 1, 2017.”.**

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