



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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#### **Central assessment fix accomplished with bipartisan support** *SB 611 paves the way for rural Oregon jobs, tax certainty for investors*

SALEM – Under a rare rules suspension this morning, the Oregon Senate expedited approval of Senate Bill 611, legislation that will spur job creation across the state by resolving longstanding concerns around data centers and tax liability. The legislation was passed with a vote of 27-3.

“In the last five years, Central Assessment has been a thorny, difficult, controversial, contentious, painful, litigated problem,” said Senator Mark Hass (D-Beaverton), Chair of the Senate Finance and Revenue Committee. “With SB 611 we have tackled an economic development challenge and agreed on a solution that will create jobs in rural Oregon while bolstering the state’s reputation as a technology hub in the U.S. This bill is a non-partisan, practical solution that delivers certainty to business and fairness to Oregonians.”

Because of the Northwest’s access to affordable land and electricity, rural Oregon has become an attractive location for data centers in the last decade. However, questions about how data centers should be assessed for property taxes and subsequent court cases have created complications and uncertainty for businesses looking to establish data centers in Oregon. SB 611 clarifies that these data centers should not be assessed on their worldwide value. This change will give large businesses, like Amazon and Google, the certainty they need to maintain their investments and start new construction of data centers in Oregon while guaranteeing a steady flow of revenue for local governments.

The measure also responds to a change in how communications companies are assessed for local property taxes, made in 2009 and upheld by the Oregon Supreme Court. This change included more companies in the definition of communications companies for local property tax assessment, meaning that these companies could face significantly higher property tax bills based on their worldwide value. SB 611 provides a cap to prevent a spike in communication companies' property taxes.

Finally, SB 611 creates a policy that will incent large investments like those being considered by Google Fiber for high speed internet access in the Portland region. These high speeds would be a boon to consumers and business, and make Oregon more attractive as a major technology hub.

“Standing up for rural communities is a major piece of the Oregon Senate Democrats 2015 legislative agenda,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “This legislation opens up Oregon for further growth in rural areas by clarifying the tax liability of data centers and provides local governments with much-needed certainty for their tax collections. I am impressed to see us get this done with expediency and bipartisan support.”

Senate Bill 611 now goes to the House of Representatives for consideration.

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