



# Property Tax Division

State-Appraised Data Centers

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# Department of Revenue Property Tax Division Overview



Department of Revenue's role: support Oregon's 36 counties

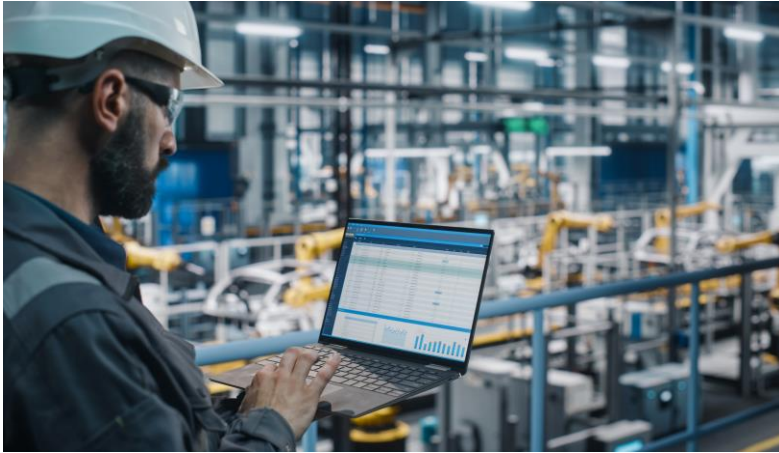


Support, Assistance, and Oversight: county training and oversight, exemptions, timber tax, senior deferral, cadastral



Valuation Section: Industrial Appraisal and Central Assessment

# Industrial and Central Assessment Programs



## **Industrial Appraisal (ORS 306.126; ORS 308.408):**

- Manufacturing sites with real property
- Industrial property returns and appraisals
- DOR appraises improvements; counties appraise land



## **Central Assessment (ORS 308.505-308.665):**

- Transportation, energy, communications
- Unitary valuation: includes tangible and intangible property
- ORS 308.516: Data centers excluded from central assessment

# Data Centers in Oregon

- Oregon provides a popular location
  - Affordable power, water, mild climate for efficient cooling, ample land, and favorable tax incentives
- Early development: hyperscale campuses.
- Now: more than 120 data center sites statewide\*
- **Metro areas:** colocation & hyperscale
- **Rural areas:** hyperscale enterprise

\*<https://www.datacentermap.com/usa/oregon/>



# Types of Data Centers and Exemptions



Colocation: Leased space generates income  
income-approach valuation by counties



Hyperscale enterprise: Enables services or products that generate revenue  
market-adjusted cost approach by DOR



More than 120 property tax exemptions statewide  
DOR indicates potentially exempt property; counties approve applications

# State-Appraised Industrial Properties and DOR

## What we do:

- Industrial Property Returns processed annually
  - Indicate property as "potentially exempt"
- Physical inspections/appraisals
- Real Market Value
- Defense of values in Oregon Tax Court





# State-Appraised Industrial Properties and the Counties

## What we don't do:

- Land appraisal/valuation
- Measure 50 maximum assessed value and assessed value calculations
- Exemption applications; approval and denials
- Tax calculation, billing, and collection



# Thank you! Questions?

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