

To Whom It May Concern,

HB 2563 includes an amendment to fix language within the current solar property tax statute (ORS 307.175). Established in 1976, this statute allows solar equipment to be exempt from property taxes.

In the 2007 Regular Legislative Session, an amendment was added to explicitly allow third-party owned systems to benefit from the exemption. Third-party owned solar installations are important to public sector organizations such as school districts, community colleges, universities, cities, state agencies, and non-profits across the state. It allows investors to take advantage of state and federal tax credits available to solar projects, which public sector agencies cannot take advantage of. Without the ability to take advantage of this provision, these solar installations would not make economic sense.

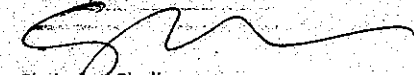
Utilizing creative financing structures, the Legislature's passage of the 2007 amendment spurred on numerous solar installations for public sector agencies across the state, which would not have happened otherwise.

Recently, the Department of Revenue developed a new interpretation of the solar property tax exemption statute, which was counter to the Legislature's intent in passing the 2007 legislation. This interpretation makes third-party owned solar installations not exempt from property taxes, which drastically increases the ongoing expenses of a project to the point where these solar projects become not financeable. If left alone, this interpretation will kill all third-party owned projects already in place and will drive investors on all current and future deals out of the state. The amendment included in HB 2563 fixes the property tax exemption language and reaffirms the property tax exemption status to all solar systems, including those owned by third-party investors.

The success of all third party owned solar projects hinge on the passage of HB 2563. Should HB 2563 fail to pass, each of our projects with various school districts, community colleges, and others will be adversely affected and public agencies will no longer have the option to leverage private capital and reduce their long-term operating expenses. The impact of such a failure will be catastrophic to the solar industry in Oregon and will rollback the significant progress Oregon has made in becoming a leading hub of clean energy industry clusters.

Please support HB 2563 and the included solar property tax exemption amendment.

Thank you,



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