



HB 3492A and the -4 amendment

Testimony for Senate Finance and Revenue, Jody Wiser 6.3.2015

Clearly, this bill addresses an important issue, property taxation of commercial solar projects. We're hopeful there will be many more, and we need to get the taxes right.

The business case the proponent made is that they didn't want property taxes that change (as banks don't like dramatic changes in costs) ...and they do want a property tax break (their estimate gave it a value of 35% if I heard correctly). Yet the bill currently allows 2, 3, 5, 7 or even 17 years of NO property taxes followed by the property tax break in this \$7000 / MW bill. It could actually allow stacking two or even three property tax breaks. We don't believe that is the proponents' intentions. But it is what the bill allows.

The bill needs to exclude stacking of tax breaks, for not just the property tax programs currently in Section 7(a) of the bill – Rural Renewable Energy Development Zones, and SIPs -- but also:

Regular enterprise zones 285C.175,

Long term rural enterprise zones 285C.409, and

The two construction-in-progress property tax exemptions 285C.170 and 307.330.

Exclusion from stacking of this new program with any income or property tax break should be part of this bill.

A review of Oregon's transparency website leads us to believe that perhaps no large solar project has used the SIP. Most large arrays appear to be using the Rural Renewable Energy Zone subsidy. It's not clear what tax abatement programs, if any, the smaller projects like those in the Metro area, have used to date. But the past doesn't clearly predict the future.

What is clear is that this bill, as written, could be gamed. You need an amendment to address that. The House Committee sent it to you with this noticed. We hope you will act.