

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 3492 - B
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 6/4/2015**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Measure Description:

Allows county, or county and city if property is within city boundaries, upon request of owner of solar project, to enter into agreement, for period not to exceed 20 years, pursuant to which property constituting solar project is exempt from property taxation and owner pays fee in-lieu of taxes. Establishes fee equal to \$7,000 per megawatt of nameplate capacity of solar project. Requires fee revenue to be distributed proportionally to taxing districts within which solar project is located based upon each affected district's proportion of ad valorem property taxes excluding taxes imposed to pay bonded indebtedness. Repeals exemption and in lieu fee for property first qualifying for exemption on or after January 2, 2022. Applies to property tax years beginning on or after July 1, 2016.

Revenue Impact (in \$Millions): No direct revenue impact

Impact Explanation:

The measure as amended would allow, but not require counties to enter into agreement providing exemption and in lieu fee for solar projects. The measure as amended is permissive, no direct revenue impact exists. If allowed, exemption and in lieu payment would result in an overall reduction in tax over the life of a solar project which is generally assumed to be 20 years. Tax reduction will depend upon a number of factors including: characteristics of individual solar projects, location of solar project, market rate and capacity for solar electricity and material and construction costs.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide tax relief and tax stability to utility scale solar production property owners and developers, which subsequently encourages development of utility scale solar production.